

RESOLUTION NO. 2014-09-03

A RESOLUTION AUTHORIZING ADDITIONAL FUNDING FOR THE OLD HIRE POLICE PENSION PLAN IN 2014 AND 2015

WHEREAS, Fort Morgan Municipal Code § 2-5-10, Policemen's pensions; source of funds, provides:

"The City, in compliance with the provisions of state statutes, does hereby authorize and direct the monthly payment to the policemen's pension fund an amount equal to that required from time to time by the State Policemen's and Firemen's Pension Reform Law and the Fire and Police Pension Association in administering said Law; provided, however, that the members of such Police Department shall, from their respective monthly salaries, contribute into the City's policemen's pension fund identical percentages monthly of their respective monthly salaries so that the contribution of the Police Department as a whole shall match the contribution for the City's general fund."

and,

WHEREAS, Fort Morgan Municipal Code § 2-5-40(c) provides:

In addition to the base pension, a retiree shall be entitled to receive the full amount of any cost of living adjustment or increase in the amount of the monthly pension to which the retiree is entitled by the terms of a resolution adopted by the City Council for such purpose. The combined amount of the base pension and any applicable adjustment or increase thereto shall be referred to as the aggregate pension."

and,

WHEREAS, the City has recently received the Actuarial Valuation as of January 1, 2014, prepared by Gabriel Roeder Smith & Company for the Fire and Police Pension Association and the City of Fort Morgan Old Hire Pension Plan which sets forth the payments necessary to fund the Plan and maintain its actuarial soundness.; and,

**NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF
FORT MORGAN, COLORADO:**

SECTION 1. The monthly retirement benefit paid to all current retired members and beneficiaries shall be increased by 2% for inflation, effective January 1, 2014; recognizing the fact that this additional benefit will result in an increased cost to the City to maintain an actuarially sound pension fund, it is the intention of the City to appropriate any necessary additional funds from the general fund revenues of the City to fund such increase.

SECTION 2. The City Manager is directed to budget and pay a sum not less than \$88,669.00 in each year for Employer contributions and the additional contribution necessary to maintain the actuarial soundness of the Plan.

SECTION 3. The City Council budgeted a total of \$174,143 in 2014 for the Pension Plan annual unfunded liability and for an ad hoc cost of living adjustment to the Plan. The Actuarial Study provides for and the Council authorizes the City Manager to pay a 2.0% increase for the cost of living for the members of the plan at the initial cost of \$47,320.00 and an additional cost of \$6,347 per year for the term of the plan. The former practice of making a total lump-sum contribution in a single year for the foregoing purposes has been discontinued. The City Manager is directed to pay the lump sum payment of \$47,320.00 in 2015 for the 2014 increase and the annual increases to the unfunded portion of the pension of \$6,347 for a total of \$88,699.00 per year as required by FPPA and provided in Table 18 of the actuarial study.

SECTION 4. The obligation hereby undertaken to fund these pension plan obligations in 2014 shall be secured by a cash reserve of **\$88,669.00** pledged irrevocably in the General Fund and held for payments in 2015, each in the amount of **\$7,390 per month**. The City Manager is hereby authorized and directed to establish and maintain such a cash reserve in the General Fund to meet the purposes and liabilities of the Old Hire Pension Plan for the Police Department Retirees.

INTRODUCED, PASSED, APPROVED AND ADOPTED this 16th day of September 2014, the vote upon roll call being as follows:

Ayes: Mayor McAlister, Councilmembers Castoe, Lindell, Mussman, Northrup, Segura and Shaver

Nays: None

Absent /Abstain: None

THE CITY COUNCIL OF THE CITY OF
FORT MORGAN, COLORADO

[SEAL]

BY: /s/ Terry McAlister
Terry McAlister, Mayor

ATTEST:

/s/ John Brennan

John Brennan, City Clerk

STATE OF COLORADO)
COUNTY OF MORGAN)
CITY OF FORT MORGAN)

ss.

CERTIFICATE

I, John Brennan, City Clerk of the City of Fort Morgan, Colorado, do hereby certify that the above and foregoing **Resolution** is a true, perfect and complete copy of the **Resolution** adopted by the City Council and is identical to the original thereof appearing in the official records of the City of Fort Morgan, Colorado, and that the same has not been, since its adoption, in any respect, rescinded or amended.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the City of Fort Morgan this 16th day of September, 2014.

/s/ John Brennan
John Brennan, City Clerk