



WESTMINSTER
COLORADO

AGENDA

REVISED SPECIAL WESTMINSTER CITY COUNCIL MEETING

TUESDAY, FEBRUARY 16, 1999

AT 7:00 P.M.

1. Pledge of Allegiance
2. Roll Call
3. Purpose of Special Meeting:
 - A. Volunteer Fire Pension Retirement Benefits
 - B. TABLED – Resolution No. 3 re New Appointments to Various Boards and Commissions
 - C. Resolution No. 8 re Northwest Quadrant Study
4. Adjournment

February 16, 1999

TO ALL CITY COUNCILLORS

The Agenda for this evening's Special City Council meeting (February 16, 1999) has been revised with the addition of Resolution No. 8 re Northwest Quadrant Study.

Please sign this page and fax back to City Hall authorizing the addition of this item on the agenda. Thanks

Fred Allen, Councillor

Herb Atchison, Councillor

Sam Dixon, Councillor

Nancy M. Heil, Mayor

Ann Merkel, Mayor Pro Tem

Glenn Scott, Councillor

Suzanne Smith, Councillor

Date: February 16, 1999

Subject: Proposed Changes in the Volunteer Fire Pension Retirement Benefits

Prepared by: Mary Ann Parrot, Finance Director
Jim Cloud, Fire Chief

Introduction

Council action is requested to approve an increase in pension benefits for the City of Westminster Volunteer Firefighters' Pension Plan, from \$450 per month to \$600 per month to be effective immediately. Funds are available for this increased expense in the pension trust and will be budgeted accordingly by the Board of Directors of the Pension Plan. If the increase were approved by City Council, the increase would be effective immediately.

Summary

The action requested above is required due to changes in 1998 in the State statute governing Volunteer Firefighters' Pension Plans (Sec. 31-30). The changes in the State statute include:

- A requirement for City Council to approve increases in monthly benefits
- Removal of the \$450 cap for monthly benefits. Benefits can be increased to any level, as long as the plan remains actuarially sound, wherein benefits can be paid from existing monies on hand
- A cap on the benefit when the volunteer firefighter program is "dissolved".

If approved by City Council, monthly benefits for retirees would be increased from \$450 to \$600 per month. Monthly benefits for surviving spouses would be increased from \$225 to \$300 per month, in conformity with the State statute, wherein spouses receive 50% of the retiree's benefit. Monies are available from the pension fund, and Staff would direct the trust bank to begin to make payments effective with the next monthly pension check.

Staff Recommendation

Authorize the Volunteer Fire Fighter Pension Plan administrator to increase the benefit from \$450 to \$600 per month, effective immediately; delay formal action on dissolving the volunteer program until Year 2000, when the last remaining active volunteer retires and direct Staff to explore prudent methods to defease the pension plan, thus further protecting benefits to be paid to members and their spouses, and ensuring the proper execution and unwinding of the plan and its obligations.

Background

The City has provided a pension plan for volunteer firefighters since the 1950's. When a firefighter has volunteered for twenty years of service and reached the age of fifty, he may receive a pension payment of \$450 per month with survivor benefits of fifty percent of the pension payment. The Fund currently has excess funds in it beyond the required monies to pay benefits to all retirees and their beneficiaries. Because of the surplus, the Fund has required no contributions from the State or the City since 1984.

In the past, the Board reviewed and approved all benefits. According to minutes of Board proceedings, recent benefit increases were approved upon consideration of the financial position of the plan: the plan has been and continues to be in a “surplus” position, as determined by an independent actuary retained by the Board.

In 1963, the Board approved a graduated benefit schedule for those with 20 years of serviced, based on age, starting from \$15 per month (age 50) to \$100 per month (age 75). In 1966, the Board approved a uniform benefit of \$50 per month. Periodic increases are summarized in Exhibit 1; the current benefit is \$450, approved in 1995. Benefits have increased at an average annual rate of 6.3% since January 1963. If benefits were capped at \$600 per month, and were to remain at that level until 2039, when most of the benefits would be paid out, this represents average annual increases of 3.3% per year.

Because of the City’s 1996 decision to support a full-time Fire Department, the Volunteer Firefighter Program is winding down. As this occurs, the active members will retire, and the retirees and their spouses will receive benefits until they and their spouses are deceased.

The need for urgency in deciding the final benefit is due to the fact that there are only three active volunteers remaining. If any of the remaining volunteers retired or otherwise could no longer serve, the Board would not meet statutory requirements for membership composition. The latest date for the Board composition issue to be resolved is in fifteen months when one of the volunteers will retire. If one of the remaining firefighters was hired for a paid position or left the volunteer program, the composition concern would occur immediately. The unwinding of the plan due to retirement or other attrition is a real concern to the Board, and also the primary reason for the Board’s request for maximizing benefits. Once the plan is dissolved by City Council, benefits are capped under the statute and cannot be increased. In short, this opportunity for increase in benefits is most likely the last opportunity the members will have prior to dissolution.

Another concern of the Board is caused when there are no longer three active volunteers on the Board. The Board’s concern is the actions taken by an improperly constituted board may be invalid. The City Attorney’s Office has provided the opinion that the potential legal consequences of an improperly constituted Board are that actions taken by the Board could be subject to legal challenge and set aside. There is no case law that is on point. Staff believes the possibility of a challenge to board action is remote. Nonetheless, it is a possibility with which the Board is concerned and should be factored into consideration.

Once the dissolution proceedings commence, the amount of the monthly pension payment cannot be changed. The City Attorney’s Office researched and provided the opinion that once the final benefit is set it cannot include an annual cost of living adjustment since this would contravene the cap imposed by law regarding volunteer fire pension plans. The conclusion was that the final benefit should be set before the dissolution commences.

In addition to their concern about the proper constitution of the board, the Board is also aware when there are no longer any active members, it will trigger a need to dissolve the plan. Under State law, once the plan is dissolved, the maximum benefit is capped and can not be raised in the future. As a result, the Board also believes the opportunity to raise benefits at this time will be their last. This is because the plan is getting close to being dissolved and the City wishes to allow the volunteer program to unwind over time. Because of the plan dissolving in the near future (estimated Year 2000), the Board respectfully requests the monthly benefit be maximized for them and their families. This will be the last increase and will need to carry them through the next 40-60 years or until they and their spouses are deceased.

On February 8, the Board and City Council met and discussed the various options and recommendations of the Board and Staff. The decisions, which the Board has requested, of Council include:

- What the capped monthly volunteer fire fighter's pension benefit will be.
- When to dissolve the volunteer firefighter plan.

The Board recommendations regarding monthly benefit are as follows:

1. Request approval of a maximum monthly benefit of \$675, leaving residual assets of \$243,738 (7.96% of assets). The Board will explain the rationale to City Council.
2. If that is not acceptable to City Council, request approval of benefits in two steps:
 - a. Monthly benefit of \$625 per month, effective immediately.
 - b. Revisit prior to dissolution (estimated mid-2000), requesting approval of the maximum benefit allowed, leaving a residual of 10% of assets (\$306,076), but which benefit would not be lower than the \$625 per month approved above. Otherwise the benefit would remain at \$625 per month.

The City Attorney has determined the above action by City Council would be legal, as long as the conditional approval (step 2b above) is specific.

The Board Recommendation regarding dissolution is as follows:

Delay formal action on dissolution until Year 2000, when two of the three remaining active members have retired. Take formal action to dissolve the plan, effective with the death of the last remaining member/spouse. Direct staff to explore prudent methods to defuse the plan, thus guaranteeing benefits to be paid to members and their spouses, and ensuring the proper execution and unwinding of the plan and its obligations.

The Staff recommendation differs from the Board recommendation on the amount of the maximum benefit; the Staff recommendation and Board recommendation regarding dissolution are in agreement. The reasons for the Staff recommendation of a lower monthly benefit are as follows:

- The Trust is made up of tax dollars. Both the State and City contributed to this retirement fund and the prudent expenditure of same is warranted. A benefit of \$675 would leave a residual of 7.96% in the fund, below the 10% level recommended by the actuary.
- State law contemplated a surplus in the Trust upon dissolution and designated these funds to be provided for Fire Department use only. Retired volunteers, while certainly the primary beneficiaries of the Trust, are not the only parties with an interest in the funds.
- A \$600 dollar a month retirement would provide the equivalent of 3.3% yearly raises through 2039. Volunteers last received a \$150 raise in 1995 to a monthly benefit of \$450.
- The volunteer retirement plan was created to reward long term volunteer employees with a retirement benefit. This benefit was never intended to be the sole retirement program for volunteers. The majority, if not all, of volunteers are covered by Social Security, other organizations' retirement pensions, or individual retirement plans.

- Based on an annual earnings rate of 6.5% for the fund, a \$600 a month pension would leave a residual of just over 18% (or \$556,741). This would act to cover poor earnings years and avoid the need for the City to add additional tax dollars to the fund to cover any potential deficit. In addition, although the actuary recommended a 10% residual, Staff considers the horizon period of 40 to 60 years to be lengthy and recommends a minimum 15% residual in order to cover this additional risk.

Staff has prepared attachments with details of the following:

- Exhibit 1: Benefit History, 1963 to Present
- Exhibit 2: Pension Survey of Local Area Fire Departments
- Exhibit 3: Comparison of Valuation Results (Benefit Levels of \$450 to \$675 – Funds Needed and Remaining Residual)
- Exhibit 4: Summary of Alternatives and Options Discussed

Alternatives to the proposed action include several alternatives, ranging from keeping the benefit at the current level of \$450, to increasing the benefit level to the maximum requested by the Board of \$675. These alternatives are summarized on Exhibit 4: Alternatives and Options. They are not recommended for a variety of reasons:

The alternatives do not have the support of the Board, as evidenced by the votes taken by the Board, summarized in the Staff Report dated February 4, 1999.

- The benefit of \$450 does not provide any protection against inflation.
- The other alternatives leave less than the residual preferred by Staff of minimum 15%, to protect the plan against swings in interest rates over the long horizon period of 40 to 60 years.

Respectfully submitted,

William M. Christopher
City Manager

Attachments

Date: February 16, 1999

Subject: TABLED - Resolution No. 3 New Board and Commission Appointments

Prepared by: Michele Kelley, City Clerk

Introduction

City Council action is requested to make new appointments to various City Boards and Commissions where vacancies currently exist.

Summary

At the February 8th City Council Meeting, City Council set the date of Tuesday, February 16th for a special City Council meeting to appoint new members to some of the Boards and Commissions where members did not wish to be reappointed. In addition, several resignations have been accepted by City Council, and Council determined that a new appointment would not be made until all the new applicants for the 1999 "Pool" had been interviewed.

On January 25th, City Council completed the interviews with the ten 1999 applicants for the new cycle of the Boards and Commissions Pool. In addition, there are 5 applicants who wish to be considered from the 1998 "pool". A copy of the matrix of each individual's preference on appointments is attached.

Staff has included within this agenda memorandum all of the vacancies to be filled at this time. Staff has also indicated within the Resolution where an alternate currently serving will be moved to a regular member position.

Staff Recommendation

Remove this item from the table and adopt Resolution No. 3 making new appointments to the various Boards and Commissions.

Background Information

A single Resolution has been prepared to consider the following current vacancies: Carmen Carrillo of the Human Services Board, Tommie Ann Gard and Dori Walter of the Library Board, Vicki Atkins of the Parks and Recreation Advisory Board, B. David Smith (Alternate) on the Personnel Board, Hugh Frazier of the Planning Commission, Joe Sloan and Tamra Waltemath of the Transportation Commission..

Respectfully submitted,

William M. Christopher, City Manager
Attachments

RESOLUTION

RESOLUTION NO.

INTRODUCED BY COUNCILLORS

SERIES OF 1999

CITY OF WESTMINSTER BOARD AND COMMISSION APPOINTMENTS

WHEREAS, Currently there are several vacancies on various Boards and Commissions; and

WHEREAS, It is important to have each City Board or Commission working with its full complement of authorized appointees to carry out the business of the City of Westminster; and

WHEREAS, Resignations have been received from Carmen Carrillo of the Human Services Board, Tommie Ann Gard and Dori Walter of the Library Board, Vicki Atkins of the Parks and Recreation Advisory Board; Hugh Frazier of the Planning Commission; and Joe Sloan and Tamra Waltemath from the Transportation Commission.

NOW THEREFORE, be it resolved that the City Council of the City of Westminster does hereby appoint the following individuals to the City of Westminster Boards and Commissions as listed below with the terms of office to expire as stated.

<u>NAME</u>	<u>BOARD/COMMISSION</u>	<u>TERM EXPIRE</u>
Jean Pruitt	Human Services Board	12-31-00
Ted Fleagle (Moved from Alternate to Regular Member)	Library Board	12-31-00
Marilyn Flachman (Alternate Member)	Library Board	12-31-99
BK Loren	Library Board	12-31-99
Armene Brown (Moved from Alternate to Regular Member)	Parks and Recreation Advisory Board	12-31-00
Gary Lovaro (Alternate Member)	Parks and Recreation Advisory Board	12-31-99
Wesley Underwood (Alternate Member)	Personnel Board	12-31-99
Greg Lockridge (Moved from Alternate to Regular Member)	Planning Commission	12-31-00
Keith Leach (Alternate Member)	Planning Commission	12-31-99
Doug Young (Alternate Member)	Transportation Commission	12-31-99
Rance Nethkin	Transportation Commission	12-31-00

Passed and adopted this 16th day of February, 1999.

ATTEST:

City Clerk

Mayor

1999 BOARD AND COMMISSION POOL

County	Name	Bldg Codes	BOA	Elect	Enviro Board	Human Svcs	Library	Open Space	P&R	Personnel Board	Plan Comm	Spec &LB	Permit	Trans
Adams	Christopher Beal		2							3		1		
Adams	Jerry Cunningham			3	X			1	X	X	2		X	
Adams	* Marilyn Flachman						1		2					
Adams	F.Keith Leach		3			X						1	X	2
JeffCo	BK Loren				2			1						
Adams	* Gary Lovato								2	1				3
Adams	* Martin McCabe	1						3				2		
JeffCo	John Nelson				3			1			2			
Adams	* Rance Nethken							1		2	3		4	
Adams	Paul Nilles							1						
JeffCo	Jean Pruitt					1								
JeffCo	* Dennis Stark				1		3		2					
JeffCo	Wesley Underwood				3				X	1		2		
JeffCo	William Wierzbicki				1					2				
JeffCo	John Douglas Young											1	3	2

* Indicates carryover from 1998 Pool



WESTMINSTER
COLORADO

Agenda Memorandum

Date: February 16, 1999
Subject: Resolution No. 8 re Northwest Quadrant Study
Prepared by: Bill Christopher, City Manager

Introduction

City Council is requested to adopt a resolution which other interested cities in Jefferson County, along with the Board of Jefferson County Commissioners have been requested to adopt. The resolution addresses items pertaining to the Northwest Quadrant Study.

Summary

City and county representatives recently met to discuss the Northwest Quadrant Study and the announced plans of Broomfield, Arvada, and Westminster pertaining to the Northwest Parkway. The group agreed to amend the Northwest Quadrant Study to reflect the announced plans of the three respective cities. This will modify the scope of services to be addressed by the consultant.

Also, the group agreed to pursue state and federal funds to assist Golden in the mitigation of traffic that the Northwest Parkway project would generate assuming the Highway 93 alignment is to be used.

Staff Recommendation

Adopt Resolution No. 8 which supports amending Phase I of the Northwest Quadrant Feasibility Study to reflect the announced plans of Broomfield, Arvada, and Westminster pertaining to the Northwest Parkway, as well as supporting the effort to seek state and federal funding commitments for the mitigation of highway impacts through Golden and other affected neighborhoods.

Background Information

City representatives from Arvada, Broomfield, Golden, Lakewood, Westminster, and Wheat Ridge met with the Jefferson County Commissioners recently at the Commissioner's request to discuss the Northwest Quadrant Study and the announced plans of the cities of Broomfield, Arvada, and Westminster pertaining to the Northwest Parkway project. From this meeting, there was a consensus to amend the scope of the Phase I Northwest Quadrant Feasibility Study to reflect the plans that the three cities have announced pertaining to constructing segments of the Northwest Parkway. The Policy Committee of the Northwest Quadrant Feasibility Study group will consider this action at a meeting to be scheduled in March.

Northwest Quadrant Study
Page 2

Also, from the recent meeting, the interested parties agreed to cooperate in seeking state and federal funding commitments for the mitigation of highway impacts through Golden and other affected neighborhoods. This spirit of cooperation was encouraging among the group given the divisiveness that had previously been demonstrated regarding the announcements to move in a time sensitive manner to design and construct segments of the Northwest Parkway starting at I-25 to U.S. 36 to north of Golden.

Each City Council of the involved group, along with the Board of County Commissioners have been requested to adopt the subject resolution so that Commissioners Pat Holloway and Rick Sheehan can provide documentation to Congressional representatives on the support for federal funding to assist Golden in mitigation of Highway impacts. County officials will be meeting in Washington D.C. this next week and it is time sensitive to seek adoption of the resolutions by each respective city council.

Respectfully submitted,

William M. Christopher
City Manager

Attachment

RESOLUTION

RESOLUTION NO.

INTRODUCED BY COUNCILLORS

SERIES OF 1999

A RESOLUTION OF THE WESTMINSTER CITY COUNCIL REGARDING THE
NORTHWEST QUADRANT STUDY

WHEREAS, For the past three years, the cities in Jefferson County have worked together with the Board of County Commissioners to understand each other's transportation needs, problems and priorities; and

WHEREAS, These jurisdictions have worked to develop the Jefferson County Transportation Plan, "a unified multi-modal transportation plan which will provide for the efficient, cost-effective movement of people and goods, while protecting and enhancing the quality of life in Jefferson County", and

WHEREAS, We have engaged in this cooperative planning because we all recognize a unified approach is the best way to maximize our influence on the regional transportation planning process; and

WHEREAS, The proposed Northwest Parkway is the main issue that has prevented us from speaking with a unified voice on transportation issues; and

WHEREAS; We recognize each other's unique perspective on the Northwest Parkway and realize that a factual analysis and a spirit of mutual assistance is needed.

NOW, THEREFORE, BE IT RESOLVED BY THE WESTMINSTER CITY COUNCIL:

Section 1. The Northwest Quadrant Feasibility Study plan shall be amended to provide for a new Phase I of that study which will analyze and document the immediate and long-term traffic impacts of the announced Northwest Parkway plans of Broomfield, Arvada and Westminster.

Section 2. All involved jurisdictions will work cooperatively to seek state and federal funding commitments for the mitigation of highway impacts through Golden and other affected neighborhoods.

Section 3. After Phase I is completed, the involved entities will continue working together through the established Policy Committee to review and, if warranted, amend the remaining portion of the scope of study to assure the most effective method of solving as quickly as possible the identified transportation and mitigation needs.

Passed and adopted this 16th day of February, 1999

ATTEST:

Mayor

City Clerk

CITY OF WESTMINSTER, COLORADO
MINUTES OF THE CITY COUNCIL MEETING
HELD ON TUESDAY, FEBRUARY 16, 1999 AT 7:00 P.M.

PLEDGE OF ALLEGIANCE:

Mayor Heil led Council, Staff and the audience in the Pledge of Allegiance.

ROLL CALL:

Present at roll call were Mayor Heil, Mayor Pro Tem Merkel and Councillors Allen, Dixon, Scott and Smith. Also present were William Christopher, City Manager; Martin McCullough, City Attorney; and Michele Kelley, City Clerk. Absent was Councillor Atchison.

PURPOSE OF SPECIAL MEETING:

Mayor Heil stated the purpose of the Special Meeting was to consider Volunteer Fire Pension Retirement Benefit changes; Appointments to the City's Boards and Commissions and a Resolution addressing items pertaining to the Northwest Quadrant Study.

VOLUNTEER FIRE PENSION RETIREMENT BENEFITS:

A motion was made by Allen and seconded by Scott to authorize the Volunteer Fire Fighter Pension Plan administrator to increase the benefit from \$450 to \$650 per month, effective immediately; delay formal action on dissolving the volunteer program until Year 2000, when the last remaining active volunteer retires and direct Staff to explore prudent methods to defease the pension plan, thus further protecting benefits to be paid to members and their spouses, and ensuring the proper execution and unwinding of the plan and its obligations. Harry Gorham, 12645 Hazel Street, retired Firefighter and Firefighter Pension Board member, was present to address Council. The motion carried unanimously.

RESOLUTION NO. 3 – NEW BOARDS AND COMMISSIONS APPOINTMENTS:

A motion was made by Merkel and seconded by Allen to remove Resolution No. 3 from the Table and make the following new appointments to the various Boards and Commissions. Human Services Board: Jean Pruitt as a regular member with term of office to expire December 31, 2000; Library Board: Ted Fleagle from alternate to regular member with term of office to expire December 31, 2000, Marilyn Flachman as an alternate and B.K. Loren as a regular member with terms of office to expire December 31, 1999; Parks and Recreation Advisory Board: Armene Brown from alternate to regular member with term of office to expire December 31, 2000, and Gary Lovato as an alternate with term of office to expire December 31, 1999; Personnel Board: Wesley Underwood as an alternate with term of office to expire December 31, 1999; Planning Commission: Greg Lockridge from alternate to regular member with term of office to expire December 31, 2000, and Keith Leach as an alternate with term of office to expire December 31, 1999; Transportation Commission: John D. Young as an alternate with term of office to expire December 31, 1999 and Rance Nethken as a regular member with term of office to expire December 31, 2000. Upon roll call vote, the motion carried unanimously.

A motion was made by Scott and seconded by Smith to appoint John Nelson to the Jefferson County Corrections Board. The motion carried unanimously.

RESOLUTION NO. 8 – NORTHWEST QUADRANT STUDY:

A motion was made by Allen and seconded by Merkel to adopt Resolution No. 8 which supports amending Phase I of the Northwest Quadrant Feasibility Study to reflect the announced plans of Broomfield, Arvada, and Westminster pertaining to the Northwest Parkway, as well as supporting the effort to seek state and federal funding commitments for the mitigation highway impacts through Golden and other affected neighborhoods. Upon roll call vote, the motion carried unanimously.

MISCELLANEOUS:

Council asked for a moment of silence in recognition of former State Representative Tony Grampas who passed away last week.

ADJOURNMENT:

The meeting was adjourned at 7:15 P.M.

ATTEST:

Mayor

City Clerk

Summary of Proceedings

Summary of Proceedings of the regular City Council meeting held Tuesday, February 16, 1999.

Present at roll call were Mayor Heil, Mayor Pro Tem Merkel and Councillors Allen, Dixon, Scott and Smith. Absent was Councillor Atchison..

Council made the following appointments to the City's Boards and Commissions: Human Services Board: Jean Pruitt as a regular member with term of office to expire December 31, 2000; Library Board: Ted Fleagle from alternate to regular member with term of office to expire December 31, 2000, Marilyn Flachman as an alternate and B.K. Loren as a regular member with terms of office to expire December 31, 1999; Parks and Recreation Advisory Board: Armene Brown from alternate to regular member with term of office to expire December 31, 2000, and Gary Lovato as an alternate with term of office to expire December 31, 1999; Personnel Board: Wesley Underwood as an alternate with term of office to expire December 31, 1999; Planning Commission: Greg Lockridge from alternate to regular member with term of office to expire December 31, 2000, and Keith Leach as an alternate with term of office to expire December 31, 1999; Transportation Commission: John D. Young as an alternate with term of office to expire December 31, 1999 and Rance Nethken as a regular member with term of office to expire December 31, 2000

Council approved the Volunteer Fire Pension Retirement Benefit increase.

The following Resolutions were adopted:

Resolution No. 3 – Boards and Commissions Appointments.

Resolution No. 8 – Amend Phase I of the Northwest Quadrant Feasibility Study.

At 7:15 P.M. the meeting was adjourned.

By order of the Westminster City Council

Michele Kelley, CMC, City Clerk

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