SPECIAL CIVILIAN PENSION BOARD

A G E N D A

January 16, 2008 - 1:30 P.M. - Council Chambers - City Hall - City of Dover

1. Agenda Additions/Deletions
2. Discussion on Procedures and Timing of COLA Requests
3. Cola Request for 2008

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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS.

1: Discussion on Procedures and Timing of COLA Requests

Originally, the Civilian Pension Board, consisting of representatives from city council, city government and employees/retirees, would meet to discuss retiree COLA's. A board consensus would be reached and if a COLA was granted, it would be funded entirely by the pension fund. Over time this procedure became increasingly unattractive since the COLA's funded solely by the pension fund were adding to the already high Civilian Pension Fund unfunded liability.

To avoid this negative impact on the unfunded liability, an alternate procedure has evolved whereby city council, if they wish to grant retirees a COLA, fully fund it from the General Fund through the budget process. For this to be accomplished in an orderly and businesslike manner, however, the COLA decision needs to be made early in the budget process. Attached are the minutes of a 1988 Pension Board meeting during which January was established as the month for retiree COLA consideration. The civilian members of the Pension Board would like to re-establish this annual January COLA consideration and make it an automatic agenda item.

CIVILIAN PENSION BOARD MEETING

The Civilian Pension Board Meeting was held on January 19, 1988 at 9:00 a.m. with Chairman VanSant presiding. Members present were Mr. Levitt, Mrs. Marvel, Mr. Walters, Mr. Hudson, and Mr. Bartolotta. The meeting was called for the purpose of discussing questions presented by members of the Civilian Pension Board relative to the Pension Plan.

PENSION ADJUSTMENT FOR RETIREES ON JULY 1, 1988

The last increase for Civilian Pension retirees was July 1, 1986 and some members of the Pension Board suggested an increase effective July 1, 1988. It is noted that the Police Pension Plan has provisions for an annual automatic 2% increase for retirees. It was generally agreed that an increase is necessary for retirees of the Civilian Pension Plan. Mr. Hudson suggested that the Civilian Pension Plan make provisions for automatic annual increase to retirees.

Mr. Bartolotta stated that approval of a one-time increase could be mandated by the Board. However, a change to the Plan to provide for an automatic annual increase could affect employee bargaining units and would require action by Council.

Generally speaking, Mr. Karia stated that it would cost the plan approximately $150 per month per each one-percent increase, rounding that figure to approximately $2,000 per year per each one-percent increase.

Mr. Hudson moved to grant a 5% increase to retirees of the Civilian Pension Plan, for those persons officially retired as of June 30, 1988. The motion was seconded by Mr. Walters and unanimously carried.

Mr. VanSant opposed the requirement for an automatic increase, feeling the Pension Board should maintain the flexibility of setting the time and amount for increases.

Mr. Walters moved that the question of retiree increases be an automatic agenda item during the month of January for an annual review for consideration of possible increase for retirees of the Civilian Pension Plan. The motion was seconded by Mrs. Marvel and carried with Mr. Hudson voting no (Mr. Levitt absent).

2. COLA REQUEST FOR 2008

The civilian members of the Pension Board respectfully request a COLA be granted to retirees effective July 2008.

There has been some discussion about structuring the COLA so that the retirees who have been on a pension the longest receive a higher percentage increase than those who have more recently retired. The civilian members have no objection to this proposal as long as each qualified retiree receives something. The enclosed COLA history shows that varying amounts to retirees have been done in the past and shouldn't cause a problem if it were done again.

City of Dover
COLA History on Retirees

Effective Date	Action
Jan. 1, 1983	Retirees retired less than 3 years = 0% Retirees retired 3 to 15 years = 5.7% Retirees retired more than 15 years = 10.6
1984	None
1985	None
July 1, 1986	2% across the board increase for all retirees
1987	None
July 1, 1988	5% increase for all retirees who retired prior to 6/30/88
July 1, 1989	2% increase for all retirees who retired prior to 6/30/89
1990	None
1991	None
1992	None
1993	Lump sum of $60 per year of service with a $600 maximum One time payment – no increase in base
1994	None
1995	None
July 1, 1996	Increase granted on basis of years of service & pension amount – $100 minimum
1997	None
1998	None
1999	None
July 1, 2000	Provided all retirees a $20 per month increase
July 1, 2000	Increased the minimum monthly amount from $100 to $200 for all retirees

Effective Date	**Action**
July 1, 2002	Approved a 2% COLA increase for all retirees receiving pension benefits prior to December 31. 2000
July 1, 2003	Approved a 1.5% COLA increase to all retirees
2004	None
July 1, 2005	Approved a 2% COLA increase to all retirees receiving benefits prior to December 31, 2004
June 26, 2006	1% fully funded COLA granted to retirees who retired prior to 1/1/06
July, 2007	None - $75,000 set aside for 7/08 COLA