

RESOLUTION

A RESOLUTION AMENDING THE MONTHLY RETIREMENT BENEFIT PAID TO ALL CURRENT RETIRED MEMBERS AND BENEFICIARIES OF THE CITY OF THORNTON FIREFIGHTERS' OLD HIRE PENSION PLAN BY PROVIDING A ONE-TIME \$250 PER MONTH COST-OF-LIVING ADJUSTMENT EFFECTIVE JANUARY 1, 2023, AND A ONE-TIME \$250 PER MONTH COST-OF-LIVING ADJUSTMENT EFFECTIVE JANUARY 1, 2024.

WHEREAS, the City Council has the authority to amend benefits paid by the City's Firefighters' Old Hire Pension Plan (Plan) to Plan members hired prior to April 8, 1978; and

WHEREAS, the Firefighters' Old Hire Pension Plan Board of Directors (Board) recommends to the City Council that the monthly retirement benefit paid to all current retired members and beneficiaries shall be increased by \$250 per month as a one-time cost-of-living adjustment (COLA) effective January 1, 2023, and that the monthly retirement benefit paid to all current retired members and beneficiaries shall be increased by \$250 per month as a one-time COLA effective January 1, 2024; and

WHEREAS, the last COLA was implemented in 2021; and

WHEREAS, the most recent Actuarial Valuation Report studying the Plan's actuarial soundness dated January 1, 2022 (Actuarial Report) includes an analysis of a proposed amendment to the Plan in which all current retirees and beneficiaries would receive an ad hoc COLA of \$250 per month effective January 1, 2023, and an ad hoc COLA of \$250 per month effective January 1, 2024; and

WHEREAS, the Actuarial Report determined there is not sufficient Plan assets to provide this increased benefit without a one-time payment from the City to fund the increased actuarial liability that will result from the increased benefit; and

WHEREAS, the Actuarial Report states that the ad hoc COLA of \$250 per month effective January 1, 2023, and an ad hoc COLA of \$250 per month effective January 1, 2024 will result in an increased unfunded actuarial liability of \$1,006,495.00, which the City will be responsible for paying to ensure that the Plan's actuarially determined required contribution to the Plan does not increase on an annual basis; and

WHEREAS, the City Council acknowledges that the City is financially responsible for funding all benefits provided by the Plan should actual future Plan performance result in any shortfall; and

WHEREAS, the Board has conducted a vote of the beneficiaries, and more than 65% approved the proposed increase; and

WHEREAS, of the 15 Plan beneficiaries, 13 members voted in favor of the Plan amendment, one member did not respond, and one member responded after the deadline; and

WHEREAS, Ordinance 1546 authorized that future amendments or changes to the Plan could be made by resolution; and


WHEREAS, State law requires an annual report of the Plan's financial status be provided to City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF THORNTON, COLORADO, AS FOLLOWS:

1. City Council hereby certifies the results of the City's Firefighters' Old Hire Pension Plan election, in which all 15 Plan members received ballots asking them to vote in favor of, or against, an ad hoc COLA of \$250 per month for all current retirees and beneficiaries, effective January 1, 2023, and an ad hoc COLA of \$250 per month for all current retirees and beneficiaries, effective January 1, 2024. Of the 15 Plan members, 13 members voted in favor of the Plan amendment, one member did not respond, and one member responded after the deadline.
2. City Council hereby approves for all current retired members and beneficiaries of the Firefighters' Old Hire Pension Plan a \$250 per month COLA increase to the monthly retirement benefit effective January 1, 2023, and \$250 per month COLA increase to the monthly retirement benefit effective January 1, 2024.
3. City Council authorizes a one-time payment to the Firefighters' Old Hire Pension Plan of \$1,006,495.00 to fund the increased unfunded actuarial accrued liability that the January 1, 2022 Actuarial Valuation Report indicates will result from this Plan amendment approved by this resolution.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Thornton, Colorado, on October 25, 2022.

CITY OF THORNTON, COLORADO



Jan Kulmann, Mayor

ATTEST:



Crystal Sargent, Acting City Clerk