# Agenda

Police Pension Board Regular Meeting
Tuesday, December 18, 2018 - 8:30 AM
City Hall Annex Building | City Manager's Conference Room
975 George Washington Way, Richland, WA 99352

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**Police Pension Board Regular Meeting No. 714**

**Call to Order:**

**Attendance:**

Board Members: Mayor Thompson, Board Chair; Mayor Pro Tem Christensen; Administrative Services Director Koch; City Clerk and Police Pension Board Secretary Hopkins; Police Representatives Thomas; Moore; Couch

**Presentations:**

1. 2019 Salary Escalator for Police Officers and Unaffiliated Staff
   - Cathleen Koch, Administrative Services Director

**Public Comments:**

**Minutes:** (Approve by Motion)

1. Approve the Minutes of the Police Pension Board Meeting Held November 15, 2018
   - Marcia Hopkins, City Clerk

**Financial Reports and Investments:** (Approve to Accept and File by Motion)

1. Financial Statements for November 2018
   - Cathleen Koch, Administrative Services Director

**Medical/Dental/Vision/Medicare/Other Claims:** (Approve by Motion)

1. December 2018 Medical/Dental/Vision/Medicare/Other Claims
   - Marcia Hopkins, City Clerk

**Business Items:** (Approve by Motion)

1. Legal Opinion - Joint Discussion with the Members of the Firefighters' Pension

Board
- Robert Thompson, Mayor

**Board Member Comments:**

**Adjournment:** (Motion to Adjourn)

*The Richland City Hall Annex Building is ADA accessible. Parking and access is available at the entrance facing George Washington Way.*

# POLICE PENSION BOARD
# AGENDA ITEM COVERSHEET

Meeting Date: 12/18/2018 | Agenda Category: Presentations

Subject:
2019 Salary Escalator for Police Officers and Unaffiliated Staff

Department:
Police Pension Board

Document Type:
Police Pension Board Item

Recommended Motion:

Summary:

Police Officers:
Attached is the list of the new pension allowances for retired Police Officers through Sergeant receiving the salary escalator. The changes represent a 3.0% wage increase effective the 1st payroll period in 2019 (December 24, 2018), pursuant to the Police Guild bargaining agreement approved by City Council on February 6, 2018. Calculations were verified by Brandon Allen, Finance Director.

Unaffiliated Positions:
Also attached is the list of new pension allowances effective the first payroll in 2019 (December 24, 2018). These changes reflect an increase to the salary ranges for unaffiliated positions due to Pay & Class Study approved by Council on November 20, 2018. Calculations were verified by Brandon Allen, Finance Director.

Attachments:
1. Police Guild Salary Escalator
2. Police Unaffiliated Escalator

Following is the list of the new pension allowances for retired Police Officers through Sergeant receiving the salary escalator. The changes represent a 3.0% wage increase effective the 1st payroll period in 2019 (December 24, 2018), pursuant to the Police Guild bargaining agreement approved by City Council on February 6, 2018. Calculations were verified by Brandon Allen, Finance Director.

| P# | Emp # | Position | Salary Schedule | Long-evity | Wage | % | 41.20 Amt | Less LEOFF | Board Payment |
|---|---|---|---|---|---|---|---|---|---|
| P01 | 0913 | Corporal | 7,855.00 | | 7,855.00 | 50 | 3,927.50 | 3,614.60 | 312.90 |
| P04 | 0704 | Police Officer | 7,341.00 | 146.82 | 7,487.82 | 50 | 3,743.91 | 2,884.96 | 858.95 |
| P14 | 3218 | Sergeant | 8,443.00 | 1,013.16 | 9,456.16 | 50 | 4,728.08 | 3,320.78 | 1,407.30 |
| P15 | 3757 | Corporal | 7,855.00 | | 7,855.00 | 50 | 3,927.50 | 3,181.57 | 745.93 |
| P19 | 0985 | Detective | 7,781.00 | 155.62 | 7,936.62 | 50 | 3,968.31 | 3,185.36 | 782.95 |
| 40W | 0040 | Police Officer | 7,341.00 | 880.92 | 8,221.92 | 33 | 2,740.64 | - | 2,740.64 |
| 489W | 0489 | Sergeant | 8,443.00 | 168.86 | 8,611.86 | 33 | 2,870.62 | 3,367.33 | - |
| P28 | 0927 | Sergeant | 8,443.00 | 168.86 | 8,611.86 | 50 | 4,305.93 | 3,322.29 | 983.64 |
| P29W | | Corporal | 7,855.00 | 942.60 | 8,797.60 | 33 | 2,932.53 | 3,136.35 | - |
| P31 | 3187 | Police Officer | 7,341.00 | 880.92 | 8,221.92 | 50 | 4,110.96 | 3,049.70 | 1,061.26 |
| 3402W | 3402 | Sergeant | 8,443.00 | 1,013.16 | 9,456.16 | 50 | 4,728.08 | - | 4,728.08 |
| P37W | 026 | Sergeant | 8,443.00 | 1,013.16 | 9,456.16 | 33 | 3,152.05 | 3,322.18 | - |
| P39 | 0557 | Corporal | 7,855.00 | 157.10 | 8,012.10 | 50 | 4,006.05 | 3,611.48 | 394.57 |
| P40 | 0421 | Police Officer | 7,341.00 | 146.82 | 7,487.82 | 50 | 3,743.91 | 2,963.57 | 780.34 |

This represents a montl $ 1,275.77 Pay from 12-24-18 thru 12-31-18 $13,850.01

**M E M O R A N D U M**

**TO:** POLICE PENSION BOARD
**FROM** Jane Gagnebin, Payroll Speciali

**DATE:** December 20, 2018

**RE:** Salary Escalations

Below is the list of new pension allowances effective the first payroll in 2019 (December 24, 2018). These changes reflect an increase to the salary ranges for unaffiliated positions due to Pay & Class Study approved by Council on November 20, 2018.

Calculations verified by Brandon Allen, Finance Director

| Emp # | Position | Sal. Sch. | Longevity | Current Wage | % | 41.20 Amount | Less LEOFF | Board Payment | December with 8 Days |
|---|---|---|---|---|---|---|---|---|---|
| 3338 | Lieutenant | 10,719.00 | | 10,719.00 | 52 | 5,573.88 | 4,574.32 | 999.56 | 257.95 |
| 3453 | Deputy Director | 12,249.00 | | 12,249.00 | 60 | 7,349.40 | 5,928.75 | 1,420.65 | 366.62 |
| 33W | Sr. Captain | 12,720.00 | | 12,720.00 | 33 | 4,240.00 | 4,207.98 | 32.02 | 8.26 |
| 35 | Captain | 11,778.00 | | 11,778.00 | 50 | 5,889.00 | 3,877.07 | 2,011.93 | 1,143.87 |
| 774 | Director | 14,316.00 | | 14,316.00 | 60 | 8,589.60 | 7,700.63 | 888.97 | 229.41 |
| | Captain | 11,778.00 | | 11,778.00 | 33 | 3,926.00 | 4,715.47 | | - |
| 914 | Lieutenant | 10,719.00 | 20.00 | 10,739.00 | 54 | 5,799.06 | 4,514.59 | 1,284.47 | 431.50 |
| 777 | Captain | 11,778.00 | | 11,778.00 | 50 | 5,889.00 | 3,898.96 | 1,990.04 | 1,121.98 |

The total mo $ 6,830.86 12/24/18-12/31/18: $ 1762.80

# POLICE PENSION BOARD
# AGENDA ITEM COVERSHEET

Meeting Date: 12/18/2018

Agenda Category: Minutes

Subject:
Approve the Minutes of the Police Pension Board Meeting Held November 15, 2018

Department:
Police Pension Board

Document Type:
Police Pension Board Item

Recommended Motion:
Approve the Minutes of the Police Pension Board Meeting Held November 15, 2018

Summary:
None.

Attachments:
1. 111518 Minutes

# MINUTES

**POLICE PENSION BOARD REGULAR MEETING NO. 713**
Thursday, November 15, 2018 | 8:15 a.m.
City Hall Annex Building | City Manager's Conference Room
975 George Washington Way, Richland, WA 99352

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**CALL TO ORDER:**
Ms. Hopkins called the meeting to order at 8:15 a.m.

**ATTENDANCE:**
Board Members: Administrative Services Director Koch, City Clerk/Police Pension Board Secretary Hopkins, Police Representatives Thomas, Moore and Couch.

Absent: Mayor Thompson

**PRESENTATIONS:** (Discussion Only)
There were no presentations.

**MINUTES:** (Approve by Motion)

1. Approve the Minutes of the Police Pension Board Meeting Held October 18, 2018
   - Marcia Hopkins, City Clerk/Police Pension Board Secretary

Mr. Moore said a correction was needed for the minutes as Mayor Thompson was recorded as attending the October 18 meeting in error, as he was absent.

**Mr. Moore moved and Mr. Couch seconded the motion to approve the amended minutes of the Police Pension Board Meeting held October 18, 2018. The motion carried 5-0.**

**AVERAGE TIME TO FINALIZE MONTHLY STATEMENTS:**
At the October 18, 2018 Police Pension Board meeting, Mr. Couch asked what was the average time it takes for a preliminary financial statement to become final. Mr. Brimacombe, Account, reported that on average, it takes two months.

**FINANCIAL REPORTS AND INVESTMENTS:** (Approve to Accept and File by Motion)

1. Financial Statements for October 2018

The Board discussed the financial reports and investments.
<u>September 30, 2018 - Final:</u>

| | |
|---|---|
| Cash on Hand | $122,749.46 |
| Investments | 325,402.26 |
| Gains (Loss) on Investments | (75,871.29) |

| | |
|---|---|
| Net Current Assets & Liabilities | (0.00) |
| Ending Fund Balance | $372,280.43 |

<u>October 31, 2018 - Preliminary</u>:

| | |
|---|---|
| Cash on Hand | $122,384.05 |
| Investments | 325,402.26 |
| Gains (Loss) on Investments | (75,871.29) |
| Net Current Assets & Liabilities | (0.00) |
| Ending Fund Balance | $371,915.02 |

**Mr. Moore moved and Mr. Couch seconded the motion to accept and file the October 2018 financial reports as published. The motion carried 5-0.**

**MEDICAL/DENTAL/VISION/MEDICARE/OTHER CLAIMS:** (Approve by Motion)
Ms. Hopkins distributed an amended November claims log showing three additional claims in the amount of $592 for a total amount of $11,899.16.

The Board Members discussed the medical/dental/vision/Medicare/Other claims.

Ms. Koch requested that the City Attorney's opinion on board payments and what is medically necessary, as well as, a discussion regarding out of network expenses, be placed on the Police Pension Board's December agenda.

**Mr. Couch moved and Mr. Moore seconded the motion to approve the November 2018 medical/dental/vision/Medicare/Other claims in the amount of $11,899.16. The motion carried 5-0.**

**BUSINESS ITEMS:** (Approve by Motion)
No business items.

**2019 PRELIMINARY POLICE PENSION BOARD BUDGET:**
The Board reviewed and discussed their 2019 preliminary budget.

**BOARD MEMBER COMMENTS:**
Mr. Moore asked Mrs. Hopkins to send him the amended November claims log electronically.

**ADJOURNMENT:**
**Mr. Couch moved and Mr. Thomas seconded the motion to adjourn the meeting at 8:42 p.m. The motion carried 5-0.**

**Respectively Submitted by,**
Marcia Hopkins,
City Clerk/Police Pension Board Secretary

**Approved:** December 20, 2018

# POLICE PENSION BOARD
# AGENDA ITEM COVERSHEET

Meeting Date: 12/18/2018

Agenda Category: Financial Reports and Investments

Subject:
Financial Statements for November 2018

Department:
Administrative Services

Document Type:
Police Pension Board Item

Recommended Motion:
Motion to Accept and File the November 2018 Preliminary Financial Statements

Summary:

<u>October 31, 2018 - Final:</u>

| | |
|---|---|
| Cash on Hand | $122,594.45 |
| Investments | 325,402.26 |
| Gains (Loss) on Investments | (75,871.29) |
| Net Current Assets & Liabilities | (0.00) |
| Ending Fund Balance | $372,125.42 |

<u>November 30, 2018 - Preliminary:</u>

| | |
|---|---|
| Cash on Hand | $122,293.23 |
| Investments | 325,402.26 |
| Gains (Loss) on Investments | (75,871.29) |
| Net Current Assets & Liabilities | (0.00) |
| Ending Fund Balance | $371,824.20 |

Attachments:

1. 2018 Police Income & Expense Statement

# CITY OF RICHLAND
# POLICE PENSION FUND
# 2018 REVENUE AND EXPENSE

| Year of 2018 | Final January | Final February | Final March | Final April | Final May | Final June | Final July | Final August | Final September | Final October | *Preliminary November* | December | Year to Date | Budget | YTD% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Beginning Balance | $ 383,028.96 | $ 370,979.18 | $ 371,144.12 | $ 372,802.13 | $ 372,143.26 | $ 372,410.30 | $ 372,520.39 | $ 372,615.23 | $ 372,347.04 | $ 372,280.43 | $ 372,125.42 | | | $ - | 0.00 |
| REVENUE | | | | | | | | | | | | | | | |
| Investment Interest | 1,179.09 | 1,092.71 | 1,053.54 | 1,053.24 | 982.55 | 1,100.13 | 1,099.50 | 2,230.41 | 1,100.48 | 1,108.58 | 966.11 | | 12,966.34 | 12,825.00 | 101.1% |
| Other Interest Earnings | | | | | | | | | | | | | - | - | 0.0% |
| Medical Reimburse | | | | | | | | | | | | | - | - | 0.0% |
| Net Change in Fair Market Value | | | | | | | | | | | | | - | - | 0.0% |
| Contribution- General Fund | 23,000.00 | 37,000.00 | 37,000.00 | 32,000.00 | 33,000.00 | 33,000.00 | 32,000.00 | 35,000.00 | 36,000.00 | 32,000.00 | 32,000.00 | | 362,000.00 | 470,400.00 | 77.0% |
| TOTAL REVENUE: | 24,179.09 | 38,092.71 | 38,053.54 | 33,053.24 | 33,982.55 | 34,100.13 | 33,099.50 | 37,230.41 | 37,100.48 | 33,108.58 | 32,966.11 | - | 374,966.34 | 483,225.00 | 77.6% |
| EXPENSE | | | | | | | | | | | | | | | |
| Medical Insurance - <65 | 888.96 | 888.96 | 888.96 | 888.96 | 666.72 | 666.72 | 666.72 | 666.72 | 666.72 | 666.72 | 666.72 | | 8,222.88 | 12,043.00 | 68.3% |
| Medical Insurance - >65 | 4,398.84 | 4,398.84 | 4,398.84 | 4,398.84 | 4,561.76 | 4,561.76 | 4,561.76 | 4,561.76 | 4,561.76 | 4,561.76 | 4,561.76 | | 49,527.68 | 49,157.00 | 100.8% |
| Dental Insurance - Retired | 822.12 | 822.12 | 822.12 | 822.12 | 822.12 | 822.12 | 822.12 | 822.12 | 822.12 | 822.12 | 822.12 | | 9,043.32 | 10,750.00 | 84.1% |
| Dental Expense Pension | 1,745.88 | 560.18 | 633.20 | 28.47 | 861.30 | 1,075.14 | - | 585.18 | 102.40 | 809.50 | 261.00 | | 6,662.25 | 14,000.00 | 47.6% |
| Medical Expense Pension | 8,796.20 | 9,915.35 | 8,636.42 | 9,111.09 | 8,244.04 | 8,155.06 | 7,858.49 | 12,035.25 | 12,186.52 | 7,948.31 | 7,592.16 | | 100,478.89 | 160,000.00 | 62.8% |
| Medicare Premiums | 3,376.00 | 2,974.00 | 3,376.00 | 3,108.00 | 3,242.00 | 3,376.00 | 3,778.00 | 3,510.00 | 3,510.00 | 3,108.00 | 4,046.00 | | 37,404.00 | 36,600.00 | 102.2% |
| Retirement Allowance | 8,554.78 | 10,854.71 | 9,588.08 | 8,066.13 | 8,066.13 | 8,066.13 | 8,066.13 | 8,066.13 | 8,066.13 | 8,066.13 | 8,066.13 | | 93,526.61 | 114,830.00 | 81.4% |
| Widow's Benefits | 7,039.95 | 7,510.68 | 7,251.44 | 7,251.44 | 7,251.44 | 7,251.44 | 7,251.44 | 7,251.44 | 7,251.44 | 7,251.44 | 7,251.44 | | 79,813.59 | 81,470.00 | 98.0% |
| Operating Supplies | - | | | 29.99 | | | | | | | | | 29.99 | 450.00 | 6.7% |
| Postage | - | 2.93 | 0.47 | 7.07 | | 15.67 | | | | 29.61 | | | 55.75 | 250.00 | 22.3% |
| Shredding Services | - | | | | | | | | | | | | - | 50.00 | 0.0% |
| Travel | 606.14 | | | | | | | | | | | | 606.14 | 1,875.00 | 32.3% |
| Training & Conference | - | | 800.00 | | | | | | | | | | 800.00 | 750.00 | 106.7% |
| Other Expenses | - | | | | | | | | | | | | - | 1,000.00 | 0.0% |
| Total Expense | 36,228.87 | 37,927.77 | 36,395.53 | 33,712.11 | 33,715.51 | 33,990.04 | 33,004.66 | 37,498.60 | 37,167.09 | 33,263.59 | 33,267.33 | - | 386,171.10 | 483,225.00 | 79.9% |
| Revenues Over (Under) Expense: | (12,049.78) | 164.94 | 1,658.01 | (658.87) | 267.04 | 110.09 | 94.84 | (268.19) | (66.61) | (155.01) | (301.22) | - | (11,204.76) | - | |
| Ending Balance | $ 370,979.18 | $ 371,144.12 | $ 372,802.13 | $ 372,143.26 | $ 372,410.30 | $ 372,520.39 | $ 372,615.23 | $ 372,347.04 | $ 372,280.43 | $ 372,125.42 | $ 371,824.20 | $ - | $ (11,204.76) | $ - | |
| ENDING BALANCE CONSISTING OF: | | | | | | | | | | | | | | | |
| Cash | $ 121,448.21 | $ 121,613.15 | $ 123,271.16 | $ 122,612.29 | $ 122,879.33 | $ 122,989.42 | $ 123,084.26 | $ 122,816.07 | $ 122,749.46 | $ 122,594.45 | $ 122,293.23 | | | | |
| Investments | *325,402.26* | *325,402.26* | *325,402.26* | *325,402.26* | *325,402.26* | *325,402.26* | *325,402.26* | *325,402.26* | *325,402.26* | *325,402.26* | *325,402.26* | | | | |
| Gain(Loss) on Investments | *(75,871.29)* | *(75,871.29)* | *(75,871.29)* | *(75,871.29)* | *(75,871.29)* | *(75,871.29)* | *(75,871.29)* | *(75,871.29)* | *(75,871.29)* | *(75,871.29)* | *(75,871.29)* | | | | |
| Net Current Assets & Liabilities | - | | | | | | | | | | | | | | |
| Ending Fund Balance | $ 370,979.18 | $ 371,144.12 | $ 372,802.13 | $ 372,143.26 | $ 372,410.30 | $ 372,520.39 | $ 372,615.23 | $ 372,347.04 | $ 372,280.43 | $ 372,125.42 | $ 371,824.20 | $ - | | | |
| Minimum Balance | $ 371,426.00 | $ 371,426.00 | $ 371,426.00 | $ 371,426.00 | $ 371,426.00 | $ 371,426.00 | $ 371,426.00 | $ 371,426.00 | $ 371,426.00 | $ 371,426.00 | $ 371,426.00 | | | | |

**Please note: Any months marked as "Preliminary" are in draft form and are not for decision-making purposes. Preliminary months are subject to change per the completion of the City's monthly and annual closing processes.**

# POLICE PENSION BOARD
# AGENDA ITEM COVERSHEET

Meeting Date: 12/18/2018

Agenda Category: Medical/Dental/Vision/Medicare/Other Claims

Subject:
December 2018 Medical/Dental/Vision/Medicare/Other Claims

Department:
Police Pension Board

Document Type:
Police Pension Board Item

Recommended Motion:
Approve the December 2018 Medical/Dental/Vision/Medicare/Other Claims

Summary:
The December 2018 claims in the amount of $12,837.71 are on the agenda for Board approval.

Attachments:
1. 121818 Claims Log

# DECEMBER 2018 POLICE PENSION BOARD CLAIM LOG

| P NO. | DATE OF SERVICE | CLAIMANT | SERVICE RENDERED | MEDICARE<br>BOARD PAYMENT | MEDICAL/ RX/ADULT CARE<br>BOARD PAYMENT | PHYSICAL EXAMS<br>$400 YR MAX: BOARD PAYMENT | DENTAL<br>$1,200 YR MAX DENTAL: BOARD PAYMENT | DENTAL<br>$1,500 MAX BRIDGES/ DENTURES: BOARD PAYMENT | VISION (non-medical)<br>FRAMES- $150 YR MAX : BOARD PAYMENT | VISION (non-medical)<br>$200 YR MAX CONTACTS: BOARD PAYMENT | VISION (non-medical)<br>LENS: BOARD PAYMENT | VISION (non-medical)<br>ONE EYE EXAM PER YEAR: BOARD PAYMENT | HEARING AID<br>$1,800 EVERY 5 YRS PER HEARING AID: BOARD PAYMENT | MASSAGE<br>$50 MAX PER MONTH: BOARD PAYMENT | DEATH BENEFIT<br>$1,000 ONE-TIME PAYMENT: BOARD PAYMENT | TRAVEL/TUITION<br>BOARD PAYMENT | Budget $450 Operating Expenses<br>BOARD PAYMENT | GRAND TOTAL<br>GRAND TOTAL | ACUPUNCTURE<br>12 Visit Yr Max ACUPUNCTURE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| P1 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $121.00 | | | | | | | | | | | | | | **$121.00** | |
| P2 | Jan-19 | | MEDICARE PREMIUM | | | | | | | | | | | | | | | **$0.00** | |
| P3 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $129.00 | | | | | | | | | | | | | | **$129.00** | |
| P4 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $129.00 | | | | | | | | | | | | | | **$129.00** | |
| P5 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | | | | | | | | | | | | | | | **$0.00** | |
| P7 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $111.00 | | | | | | | | | | | | | | **$111.00** | |
| P8 | Dec-18 | REIMBURSE | Brookdale Asst. Living - Housing | | $4,444.00 | | | | | | | | | | | | | **$4,444.00** | |
| P8 | Dec-18 | REIMBURSE | Brookdale Asst. Living - Personal | | $2,575.00 | | | | | | | | | | | | | **$2,575.00** | |
| P8 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $116.00 | | | | | | | | | | | | | | **$116.00** | |
| P9 | Jan-19 | | | | | | | | | | | | | | | | | **$0.00** | |
| P10 | Nov-18 | REIMBURSE | Glucossamine | | $28.99 | | | | | | | | | | | | | **$28.99** | |
| P10 | Nov-18 | REIMBURSE | Tooth Extraction | | | | $452.30 | | | | | | | | | | | **$452.30** | |
| P10 | Nov-18 | REIMBURSE | Testosterone | | $160.00 | | | | | | | | | | | | | **$160.00** | |
| P10 | Dec-18 | REIMBURSE | Ocusoft | | $43.32 | | | | | | | | | | | | | **$43.32** | |
| P10 | Dec-18 | REIMBURSE | Clotrimazole | | $33.69 | | | | | | | | | | | | | **$33.69** | |
| P10 | Dec-18 | REIMBURSE | Crown | | | | $506.70 | | | | | | | | | | | **$506.70** | |
| P10 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $405.00 | | | | | | | | | | | | | | **$405.00** | |
| P11 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $134.00 | | | | | | | | | | | | | | **$134.00** | |
| P12 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $120.00 | | | | | | | | | | | | | | **$120.00** | |
| P12 | Aug&Sept 2018 | RX Pharmacy | Dermazene Cream | | $230.38 | | | | | | | | | | | | | **$230.38** | |
| P13 | Jun-18 | REIMBURSE | Surgical Pathology Level IV | | $13.76 | | | | | | | | | | | | | **$13.76** | |
| P13 | Oct-18 | Midtown Dental Clinic | Exam & Filling | | | | $67.20 | | | | | | | | | | | **$67.20** | |
| P13 | Aug-18 | In-Home Medical Inc. | Bath grab bar & toiletseat purchase; beside comode & wheelchair Rental | | $228.59 | | | | | | | | | | | | | **$228.59** | |
| P13 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $118.00 | | | | | | | | | | | | | | **$118.00** | |
| P14 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $133.00 | | | | | | | | | | | | | | **$133.00** | |
| P15 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $134.00 | | | | | | | | | | | | | | **$134.00** | |
| P15 | Nov-18 | Richland Dental Center | Exam & Xray | | | | $38.20 | | | | | | | | | | | **$38.20** | |
| P17 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $134.00 | | | | | | | | | | | | | | **$134.00** | |
| P18 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $127.00 | | | | | | | | | | | | | | **$127.00** | |
| P19 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $119.00 | | | | | | | | | | | | | | **$119.00** | |
| P20 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $134.00 | | | | | | | | | | | | | | **$134.00** | |
| P21 | Jan-19 | | | | | | | | | | | | | | | | | **$0.00** | |

| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| P22 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $111.00 | | | | | | | | | | | | | | **$111.00** | |
| P23 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $134.00 | | | | | | | | | | | | | | **$134.00** | |
| P24 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $109.00 | | | | | | | | | | | | | | **$109.00** | |
| P28 | Aug-18 | REIMBURSE | Chiropratic Consultation | | $50.00 | | | | | | | | | | | | | **$50.00** | |
| P28 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $114.00 | | | | | | | | | | | | | | **$114.00** | |
| P30 | Jan-19 | | | | | | | | | | | | | | | | | **$0.00** | |
| P31 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $118.00 | | | | | | | | | | | | | | **$118.00** | |
| P32 | Jan-19 | | MEDICARE PREMIUM | | | | | | | | | | | | | | | **$0.00** | |
| P34 | Jan-19 | | MEDICARE PREMIUM | $134.00 | | | | | | | | | | | | | | **$134.00** | |
| P35 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $118.00 | | | | | | | | | | | | | | **$118.00** | |
| P36 | Jan-June 2018 | Precision Eye Doctors | Treatment Glaucoma/Cataract/ Retinopathy/Conjunctivitis | | $152.72 | | | | | | | | | | | | | **$152.72** | |
| P36 | Aug-18 | Quest Diagnostic | Blood Test | | $36.00 | | | | | | | | | | | | | **$36.00** | |
| P36 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $127.00 | | | | | | | | | | | | | | **$127.00** | |
| P36 | Aug-Sept 2018 | RX Pharmacy | Syringe/Ferrous Sulfate/Glucosamine/ Vit D/Shingri | | $231.06 | | | | | | | | | | | | | **$231.06** | |
| P39 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $132.00 | | | | | | | | | | | | | | **$132.00** | |
| P40 | Nov-18 | W.K. Labberton DDS | Filling | | | | $55.20 | | | | | | | | | | | **$55.20** | |
| P40 | Jan-19 | REIMBURSE | MEDICARE PREMIUM | $118.00 | | | | | | | | | | | | | | **$118.00** | |
| P40 | Nov-18 | W. Kurt Labbertaon DDS | Crown | | | | $15.80 | | | | | | | | | | | **$15.80** | |
| PSEC | | | | | | | | | | | | | | | | | | **$0.00** | |
| PEXP | | | | | | | | | | | | | | | | | | **$0.00** | |
| | | | **GRAND TOTAL** | **$3,379.00** | **$8,227.51** | **$0.00** | **$1,135.40** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$12,741.91** | **0** |
| | | | | | | | | | | | | | | | | | | $0.00 | |
| | | | | | | | | | | | | | | | | | | Cell Above Must = $0 | |

The above-listed claims were approved by the LEOFF I Police Pension Board at its regular meeting held on December

We, the LEOFF I Police Pension Board Chairperson and Board Secretary, each swear under the penalty of perjury under the laws of the State of Washington
of Washington that the above-listed claims are a true and correct listing of claims approved by the LEOFF I Police Pension Board on the date identified above.

LEOFF I Police Pension Board Chair: ______________________________ Date: ______________

LEOFF I Police Pension Board Secretary: ______________________________ Date: ______________

# POLICE PENSION BOARD
# AGENDA ITEM COVERSHEET

Meeting Date: 12/18/2018

Agenda Category: Business Items

Subject:

Legal Opinion - Joint Discussion with the Members of the Firefighters' Pension Board

Department:

Police Pension Board

Document Type:

Police Pension Board Item

Recommended Motion:

Summary:

At the November 15, 2018 Police Board meeting, Ms. Koch requested an agenda item be placed on December's agenda to discuss the legal opinion by the City Attorney regarding Board claim approvals, out-of-network charges, and medical necessity services and prescriptions.

The City Attorney's opinion is attached. Please note it is an email from the City Attorney to Mayor Thompson and then forwarded to Danny Downs, as the Firefighters' Pension Board is discussing the same topic as well.

Attachments:

1. 100118 City Attorney Opinion

**From:** Robert Thompson
**Sent:** Wednesday, October 17, 2018 2:32 PM
**To:** rimrock@pocketinet.com
**Subject:** Fwd: Legal Opinion - Fire Pension Board Expense *attorney/clientprivileged*
**Importance:** High

Danny, here is info we talked about. Have court in morning am gonna try and make it

Begin forwarded message:

**From:** "Kintzley, Heather" <hkintzley@CI.RICHLAND.WA.US>
**Subject: Legal Opinion - Fire Pension Board Expense *attorney/client privileged***
**Date:** October 17, 2018 at 12:28:56 PM PDT
**To:** "Thompson, Bob" <BThompson@CI.RICHLAND.WA.US>, Robert Thompson <rjt@RobertJThompsonLawOffice.com>

Bob -- Below, I've attempted to answer your question regarding who has the final say in what gets paid, the City or the Fire Pension Board.

Richland is unique because it is a first class city. Essentially, the boards that were created to govern municipal pensions plans from 1947 (Fire) and 1955 (Police) are now responsible for governing benefits available to pensioners under LEOFF I. Therefore, we look to RCW 41.16.040 to understand the powers and duties of the Fire Pension Board, and must attempt to harmonize those duties and powers with the statutory limitations of RCW 41.26 (Law Enforcement Officers' and Firefighters' Retirement System).

The powers and duties of the Richland Fire Pension Board are as follows (relevant sections are highlighted):

## RCW 41.16.040

## Powers and duties.

The board shall have such general powers as are vested in it by the provisions of this chapter, and in addition thereto, the power to:

(1) Generally supervise and control the administration of this chapter and the firefighters' pension fund created hereby.

(2) Pass upon and allow or disallow all applications for pensions or other benefits provided by this chapter.

(3) Provide for payment from said fund of necessary expenses of maintenance and administration of said pension system and fund.

(4) Invest the moneys of the fund in a manner consistent with the investment policies outlined in RCW 35.39.060. Authorized investments shall

include investment grade securities issued by the United States, state, municipal corporations, other public bodies, corporate bonds, and other investments authorized by RCW 35.39.030, 35.58.510, 35.81.070, 35.82.070, 36.29.020, 39.58.020, 39.58.080, 39.58.130, 39.60.010, 39.60.020, 68.52.060, and 68.52.065.

(5) Employ such agents, employees and other personnel as the board may deem necessary for the proper administration of this chapter.

(6) Compel witnesses to appear and testify before it, in the same manner as is or may be provided by law for the taking of depositions in the superior court. Any member of the board may administer oaths to witnesses who testify before the board of a nature and in a similar manner to oaths administered by superior courts of the state of Washington.

(7) Issue vouchers approved by the chairperson and secretary and to cause warrants therefor to be issued and paid from said fund for the payment of claims allowed by it.

(8) Keep a record of all its proceedings, which record shall be public; and prepare and file with the city treasurer and city clerk or comptroller prior to the date when any payments are to be made from the fund, a list of all persons entitled to payment from the fund, stating the amount and purpose of such payment, said list to be certified to and signed by the chairperson and secretary of the board and attested under oath.

(9) Make rules and regulations not inconsistent with this chapter for the purpose of carrying out and effecting the same.

In 1970, Washington created the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) to supplant municipal pension plans. The Fire Pension Board and Police Pension Board existing under Richland's municipal code are responsible for acting on claims of disability under LEOFF I. *See* RCW 41.26.110(1). In addition, per RCW 41.26.150(1)(b), the Police and Fire Pension Boards are also responsible for designating medical services available to a sick or disabled member. However, per the statute, the employer is responsible for paying for the necessary medical services not payable from some other source. RCW 41.26.150(1).

The relevant provisions of RCW 41.26.150 are highlighted below:

## RCW 41.26.150

### Sickness or disability benefits—Medical services.

(1) Whenever any active member, or any member hereafter retired, on account of service, sickness, or disability, not caused or brought on by dissipation or abuse, of which the disability board shall be judge, is confined in any hospital or in home, and whether or not so confined, requires medical services, the employer shall pay for the active or retired member the necessary medical services not payable from some other source as provided for in

subsection (2) of this section. In the case of active or retired firefighters the employer may make the payments provided for in this section from the firefighters' pension fund established pursuant to RCW 41.16.050 where the fund had been established prior to March 1, 1970. If this pension fund is depleted, the employer shall have the obligation to pay all benefits payable under chapters 41.16 and 41.18 RCW.

(a) The disability board in all cases may have the active or retired member suffering from such sickness or disability examined at any time by a licensed physician or physicians, to be appointed by the disability board, for the purpose of ascertaining the nature and extent of the sickness or disability, the physician or physicians to report to the disability board the result of the examination within three days thereafter. Any active or retired member who refuses to submit to such examination or examinations shall forfeit all rights to benefits under this section for the period of the refusal.

(b) The disability board shall designate the medical services available to any sick or disabled member.

(2) The medical services payable under this section will be reduced by any amount received or eligible to be received by the member under workers' compensation, social security including the changes incorporated under Public Law 89-97, insurance provided by another employer, other pension plan, or any other similar source. Failure to apply for coverage if otherwise eligible under the provisions of Public Law 89-97 shall not be deemed a refusal of payment of benefits thereby enabling collection of charges under the provisions of this chapter.

(3) Upon making the payments provided for in subsection (1) of this section, the employer shall be subrogated to all rights of the member against any third partywho may be held liable for the member's injuries or for payment of the cost of medical services in connection with a member's sickness or disability to the extent necessary to recover the amount of payments made by the employer.

(4) Any employer under this chapter, either singly, or jointly with any other such employer or employers through an association thereof as provided for in chapter 48.21 RCW, may provide for all or part of one or more plans of group hospitalization and medical aid insurance to cover any of its employees who are members of the Washington law enforcement officers' and firefighters' retirement system, and/or retired former employees who were, before retirement, members of the retirement system, through contracts with regularly constituted insurance carriers, with health maintenance organizations as defined in chapter 48.46 RCW, or with health care service contractors as defined in chapter 48.44 RCW. Benefits payable under the plan or plans shall be deemed to be amounts received or eligible to be received by the active or retired member under subsection (2) of this section.

(5) Any employer under this chapter may, at its discretion, elect to reimburse a retired former employee under this chapter for premiums the retired former employee has paid for medical insurance that supplements medicare, including premiums the retired former employee has paid for medicare part B coverage.

"Employer" for plan 1 members means the legislative authority of any city, town, county, or district or the elected officials of any municipal corporation that employs any law enforcement officer and/or firefighter, any authorized association of such municipalities, and, except for the purposes of RCW 41.26.150, any labor guild, association, or organization, which represents the firefighters or law enforcement officers of at least seven cities of over 20,000 population and the membership of each local lodge or division of which is composed of at least sixty percent law enforcement officers or firefighters as defined in this chapter. RCW 41.26.030(14)(a).

By that definition, I'd conclude that the City is the employer. Not the pension board. Therefore, I do think there is validity to the idea that the City has authority to deviate from a board-approved reimbursement if the reimbursement authorized by the Board is outside the scope of the law. An action to approve a payment that is beyond the scope of the law would be *ultra vires*.

That being said, the case law doesn't appear to regard the disability board and the city as being distinct and distinguished from each other. When a lawsuit is filed, it's typically pensioner v. city, and the pension board has usually approved the decision the City is carrying out through its payment activities. Under the statutory structure, the pension board has the authority to designate the medical services available (above minimum medical necessity) and approve/disapprove disability claims, while the employer (City) has a duty to pay the medical services only to the extent such services are not covered by another source. If the employer (City) has provided insurance, or if the pensioner has other insurance coverage, the pensioner will be imputed the benefits associated with that insurance, and the City will reduce the amount paid by the value of the benefits the pensioner choose to forego.

Here's how this likely plays out in reality: Pension Board votes to pay the full bill of someone who has medical insurance but didn't use it. City (employer) is able to determine the value of the benefit pensioner did not use (i.e., the amount some other source would have paid) and reduces the payment by that amount. Pensioner sues City for a writ of mandamus, compelling City to make the payment approved by the Board. City says to the Court "we are only authorized to pay what the statute dictates." The statute dictates that medical services payable under RCW 41.26.150 will be reduced by any amount received or eligible to be received. "Will" is not discretionary, it's mandatory, and the City is not authorized to reimburse funds beyond the authority provided by law.

The above is what *should* happen given the rules of statutory construction, but that outcome is not guaranteed. While one case says the statute requires reduction, another says the statute permits reduction. *See Bremerton Public Safety Ass'n v. City of Bremerton*, 104 Wash.App. 226 (Div. II, 2001)(holding that the plain language of the unambiguous statute requires that necessary medical costs payable by the employer are reduced by any amount for which a retiree is qualified to receive); compare to *Jones v. Firemen's Relief and Pension Bd. of City of Richland*, 48 Wash.App. 262 (Div. III, 1987)(finding that RCW 41.25.150 permits the Pension Board to reduce any LEOFF benefits paid for medical services by any amount received by the member from other current work-related insurance or benefit plans). *Bremerton* is newer, but *Jones* is City of Richland. Both cases are attached.

In any case, the law is clear that the amount paid by the Employer under RCW 41.26.150 is subject to reduction by the value of any imputed benefit belonging to the pensioner. Given the existing case law, whether such reduction is mandatory or permissive is something that could be fought over, but in my opinion shouldn't be fought over, if the rules of statutory construction hold true.

*See, also*, the attached trial court order regarding City of Moses Lake, where it appears Grant County approved some benefits the City determined not to pay, and the City was told they were wrong (I don't know the facts, I pulled it only for the fact that the Disability Board and City were not aligned).

The long and sort to your question is that: 1) the City is responsible for paying the bills after they are approved by the Pension Board; 2) the expectation is that the pension board and the City are aligned in the action taken, and there is a lack of printed cases where the city and the board square off against each other over decisions made; and 3) the City is likely to reduce the benefit pursuant to the statute because the language is mandatory, not permissive, and the City is bound by the limitations of the law. The remedy is for an aggrieved pensioner to sue the City for a writ of mandamus compelling payment as directed by the Board, at which point the court would have to decide whether reduction was proper pursuant to state law. Based on the *Bremerton* and *Jones* cases, reduction of the amount paid by the value of the imputed benefit would be proper. At the end of the day, I don't think the Court would find that the City's ability to comply with the law (RCW 41.26.150) is limited by the Board's powers under RCW 41.16.040.

However, it might be expensive to find out. A more practical approach to this positional problem is to educate the boards on the fact that reduction by the value of imputed benefits is in fact expected to occur under state law. As stewards of tax-payer dollars, all board members should strive to comply with RCW 41.26.150 and ensure that payments are proper.

Also, please note that network providers are all over the country, so it's exceedingly unlikely that someone would be denied insurance coverage or in-network benefits just because they live in another state. Cigna is national, if not international, and has coverage everywhere, so an argument that an out-of-state pensioner could not avail himself/herself of a medical benefit provided is not factually accurate. Further, in the event a particular desired provider is not in-network, Cigna will reach out, at the City's direction, to attempt to bring the provider in-network so that savings can be realized.

Hope this helps.
Heather

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