

Bond Case Briefs

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PENSIONS - ALABAMA

Boman v. City of Gadsden

Supreme Court of Alabama - September 2, 2016 - So.3d - 2016 WL 4585731

Retired city police officer brought action against city, State Employees' Insurance Board, and local-government health-insurance plan, seeking in part an injunction requiring city to provide continuing medical care and a judgment for unpaid medical bills due and owing.

The Circuit Court entered injunction and dismissed claims against Board and plan. City appealed. The Supreme Court reversed and remanded with directions. On remand, the Circuit Court issued two orders granting injunctive relief to retired officer. City and members of Board appealed. The Supreme Court reversed and remanded. On remand, the Circuit Court entered summary judgment in favor of city, and retired police officer appealed.

The Supreme Court of Alabama held that:

- Employee handbooks distributed by city to its police officers did not create a contract under which city was obligated to provide retired police officer with lifetime health benefits;
- Doctrine of promissory estoppel did not operate to require city to provide retired police officer with lifetime health benefits; and
- No evidence existed of outrageous conduct on city's part in refusing to provide retired police officer with lifetime health benefits, as required to support his tort-of-outrage claim.

Employee handbooks distributed by city to its police officers did not create a contract under which city was obligated to provide retired police officer with lifetime health benefits. While some versions of the handbook summarized health benefits provided by city, they applied to active uniformed employees of the city, not retirees, and retirement benefits mentioned in the handbooks regarded pension benefits, and not health-care benefits.

Doctrine of promissory estoppel did not operate to require city to provide retired police officer with lifetime health benefits, when city did not promise to provide him with such benefits.

No evidence existed of outrageous conduct on city's part in refusing to provide retired police officer with lifetime health benefits, as required to support his tort-of-outrage claim.