UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

KARYN D. STANLEY,

Plaintiff,

v. Case No. 6:20-cv-629-WWB-GJK

CITY OF SANFORD, FLORIDA,

Defendant.
_____/

ORDER

THIS CAUSE is before the Court on Defendant's Motion for Summary Judgment (Doc. 38), Plaintiff's Memorandum in Opposition (Doc. 39), and Defendant's Reply (Doc. 40). As set forth below, Defendant's Motion will be granted.

I. BACKGROUND

Plaintiff, Karyn D. Stanley, brought this action against Defendant, the City of Sanford, Florida (the "**City**"), alleging six claims arising out of the discontinuation of her health insurance benefits by the City. (*See generally* Doc. 1). This Court dismissed Counts I through III with prejudice and dismissed Count V without prejudice. (Doc. 27 at 11). Plaintiff did not replead Count V. Presently, two claims remain, Count IV, alleging entitlement to declaratory relief, and Count VI, alleging a violation of the Equal Protection Clause.

Plaintiff was hired as a firefighter with the City's Fire Rescue Department in February 1999. (Doc. 38-1 at 1). She was continuously employed in that position until she was placed on disability retirement on or about November 1, 2018. (Doc. 38-4 at 1–

6; Doc. 38-5 at 1). Due to her disability, Plaintiff had no choice but to retire before she completed her full twenty-five years of service. (Doc. 38-4 at 6).

The City's policy for providing health insurance to its employees and retirees is included in its Human Resources Manual (the "**Manual**"). Prior to September 20, 2003, Paragraph 2.45 of the Manual provided that "[a]n employee if hired before October 1, 2002 will have met the criteria for eligibility for continuation of city-paid health insurance at the time of retirement upon completion of twenty-five (25) years' service to the City of Sanford. Employees hired after October 1, 2002 who retire with twenty-five (25) years of service to the City shall not be eligible for any city paid health insurance in accordance with the foregoing retirement eligibility criteria in this paragraph." (Doc. 38-6 at 2). Paragraph 2.45 further provided that "[e]mployees retiring for disability reasons and who meet the criteria for disability retirement as prescribed by the Florida Retirement System (F.R.S.) or who meet the criteria for disability retirement as prescribed by the Police or Fire Pension Plan are eligible for continued City-paid health insurance." (*Id.* at 2–3). This benefit was not conditioned on the employee's date of hire and ended when the employee reached sixty-five years of age. (*Id.*).

Pursuant to Ordinance No. 3806 ("the **Ordinance**"), the City amended this portion of its policy on October 1, 2003 "for the purpose of Continuing the City's Health Care Cost Containment Initiatives."[1] (Doc. 38-10 at 2). The pertinent amendment provides:

> Employees retiring for disability reasons and who meet the criteria for disability retirement as prescribed by the Florida Retirement System

[1] Although Fred W. Fosson, the City's Director of Human Resources and Risk Management, did not know why the City implemented the twenty-four-month rule for disabled retirees in 2003 or who would know the answer or where to find it, the Ordinance plainly states that it was implemented to contain costs. (Doc. 39-4 at 7:6–8, 10:13–23, 11:7–12; Doc. 38-10 at 2).

> (F.R.S.) or who meet the criteria for disability retirement as prescribed by the Police or Fire Pension Plan are eligible for continued City-Paid health insurance. Effective October 1, 2003, with regard to all employees retiring as a result of full disability and meet the criteria for disability retirement, City-Paid health insurance will begin upon retirement and will continue until the disabled retiree receives Medicare benefits or until 24 months have elapsed from the date of retirement, whichever comes first.

(Doc. 38-10 at 2, 4; Doc. 38-11 at 4). The change allows disability retirees to remain on the City's health insurance until they are Medicare age, but after twenty-four months of disability retirement they are required to pay the premiums themselves. (Doc. 39-9 at 9:23–10:3). "Normal" retirees,[2] however, who were hired prior to October 1, 2002, and who have twenty-five years of service with the City continue to receive paid health care until they reach the age of sixty-five. (*Id.* at 10:7–14). The policy provides that the "retiring employee approved for disability reasons will be entitled to the same health insurance coverage as is afforded regular employees and the total premium will not exceed the total premium charged to the active group." (Doc. 38-9 at 5). The City's policy tracks the language in section 112.0801, Florida Statutes, which governs the terms under which municipal governments must offer health insurance benefits to retirees.

In accordance with the policy, twenty-four months after Plaintiff began her disability retirement, she was notified that she was no longer eligible to receive the City's paid contributions toward the cost of participating in the City's health insurance coverage. (Doc. 38-13 at 1). Instead, in order to remain on the City's health insurance coverage, Plaintiff was required to pay $1,359.00 per month for Employee and Spouse coverage.

[2] "Normal Retirement Eligibility" is defined as "the earlier of the attainment of age 55 and the completion of 10 years credited service or upon the completion of 25 years of credited service, regardless of age." (Doc. 39-17 at 27).

(*Id.*). Even though the cost to Plaintiff went up, she still receives the same coverage. (Doc. 38-15 at 37:17–38:1).

Plaintiff alleges that the City's policy violates section 112.0801(1), Florida Statutes because it requires disability retirees to pay their entire health insurance premium after twenty-four months, while the City pays the cost of the premiums for retirees hired before October 1, 2002, who have contributed twenty-five years of service. (Doc. 1, ¶ 42–52). Plaintiff further alleges she was wrongfully deprived of the equal benefit of receiving health insurance until she reached age sixty-five because she is a disabled retiree as opposed to a normal retiree. (*Id.* ¶¶ 26, 58–61).

II. LEGAL STANDARD

Summary judgment is appropriate when the moving party demonstrates "that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a). A dispute is genuine "if the evidence is such that a reasonable jury could return a verdict for the nonmoving party." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). A fact is material if it may "affect the outcome of the suit under the governing law." *Id.* "The moving party bears the initial burden of showing the court, by reference to materials on file, that there are no genuine issues of material fact that should be decided at trial." *Allen v. Bd. of Pub. Educ.*, 495 F.3d 1306, 1313–14 (11th Cir. 2007). Stated differently, the moving party discharges its burden by showing "that there is an absence of evidence to support the nonmoving party's case." *Celotex Corp. v. Catrett*, 477 U.S. 317, 325 (1986).

However, once the moving party has discharged its burden, "Rule 56(e) . . . requires the nonmoving party to go beyond the pleadings and by her own

affidavits, or by the depositions, answers to interrogatories, and admissions on file, designate specific facts showing that there is a genuine issue for trial." *Id.* at 324 (quotation omitted). The nonmoving party may not rely solely on "conclusory allegations without specific supporting facts." *Evers v. Gen. Motors Corp.*, 770 F.2d 984, 986 (11th Cir. 1985). Nevertheless, "[i]f there is a conflict between the parties' allegations or evidence, the [nonmoving] party's evidence is presumed to be true and all reasonable inferences must be drawn in the [nonmoving] party's favor." *Allen*, 495 F.3d at 1314. "Where a party does not respond to the moving party's assertion of a properly supported fact, the Court considers the fact undisputed." *Menster v. Allstate Ins. Co.*, No. 5:19-cv-77-Oc-30PRL, 2020 WL 5534462, at *1 n.1 (M.D. Fla. Aug. 5, 2020) (citing Fed. R. Civ. P. 56(c), (e)).

III. DISCUSSION

As set forth above, there are two remaining claims in this case. First, Plaintiff seeks a declaratory judgment that the City's policy fails to comply with section 112.0801, Florida Statutes. Second, Plaintiff argues that the City's policy violates the Equal Protection Clause. The City seeks summary judgment as to both claims.

A. Declaratory Relief

The City argues that Paragraph 2.45 does not violate section 112.0801, Florida Statutes because disabled retirees are offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. (Doc. 38 at 13). The City insists that the plain language of the statute does not prohibit it from "exercising its discretion to pay for, or to decline to pay for, its retirees' insurance coverage." (*Id.*). Plaintiff, relying on

the definition of retirees, responds that section 112.0801 does not allow an employer to distinguish based on the individual's retirement status. (Doc. 39 at 16). In other words, Plaintiff argues that the statute prohibits the City from electing to pay the premiums for a normal retiree but refuse to pay the premiums for a disabled retiree. (*Id.* at 16–17).

"In construing a statute we must begin, and often should end as well, with the language of the statute itself." *Merritt v. Dillard Paper Co.*, 120 F.3d 1181, 1185 (11th Cir. 1997) (citation omitted). "The first step 'is to determine whether the language at issue has a plain and unambiguous meaning with regard to the particular dispute in the case.'" *Barnhart v. Sigmon Coal Co.*, 534 U.S. 438, 450 (2002) (quoting *Robinson v. Shell Oil Co.*, 519 U.S. 337, 340 (1997)). The Court "must presume that a legislature says in a statute what it means and means in a statute what it says there." *Merritt*, 120 F.3d at 1185 (quotation omitted). "The inquiry ceases if the statutory language is unambiguous and the statutory scheme is coherent and consistent." *Barnhart*, 534 U.S. at 450 (quotation omitted).

Section 112.0801(1) provides:

> Any state agency, county, municipality, special district, community college, or district school board that provides life, health, accident, hospitalization, or annuity insurance, or all of any kinds of such insurance, for its officers and employees and their dependents upon a group insurance plan or self-insurance plan shall allow all former personnel who retired before October 1, 1987, as well as those who retire on or after such date, and their eligible dependents, the option of continuing to participate in the group insurance plan or self-insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. For retired employees and their eligible dependents, the cost of continued participation may be paid by the employer or by the retired employees.

The statute defines a "retiree" as "any officer or employee who retires under a state retirement system or a state optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment." Fla Stat. § 112.0801(2).

Section 112.0801 is not ambiguous and in no way requires the municipality to pay the cost of continued participation. *See* Fla. Att'y Gen. Op. 2008-41 (Aug. 27, 2008) ("[S]ection 112.0801, Florida Statutes, provides that for the retired employees and their eligible dependents, the cost of any continued participation in any type of plan, or any part thereof, may be paid by the employer or by the retired employees. Thus, . . . while a local governmental entity may pay the costs, or a portion thereof, of the continued insurance coverage for its retirees and eligible dependents, it is not required to do so."). Here, the City offered Plaintiff health insurance coverage at the same cost as active employees, it just required her to pay the premiums. Moreover, there is nothing in the statute that prohibits the City from paying the premiums for a normal retiree but refusing to pay the premiums for a disabled retiree. Accordingly, Paragraph 2.45 of the Manual does not violate the statute and the City's Motion will to be granted as to Plaintiff's claim for declaratory relief.

B. Equal Protection Clause

With respect to Plaintiff's equal protection claim, the City insists that the classifications contained in Paragraph 2.45 are legitimate governmental considerations as they exist to incentivize and reward long-term employment, contain costs by ending all payments once retirees reach sixty-five years of age, and provide compassion for employees who retire early due to illness or injury. (Doc. 38 at 21–22).

Plaintiff responds that the legitimate interests asserted by the City are arbitrary or irrational, creating a genuine issue of material fact as to whether the City was motivated by negative stereotypes surrounding those who qualify for disability retirement. (Doc. 39 at 8). First, Plaintiff argues that the City's assertion that it sought to incentivize and reward long-term employment is irrational because she worked for the City for twenty years and was unable to continue because she was stricken with Parkinson's disease, not because she chose to end her employment. (*Id.* at 9). Plaintiff suggests that the City's reference to "rewarding employee loyalty" implies that employees who retire based on a disability are "fakers, lazy, malingerers, disloyal, etcetera." (*Id.*). Plaintiff further notes that the Sanford Firefighters Pension allows employees to buy years of creditable service for military service and work at other fire departments. (*Id.* at 11–12).

Second, Plaintiff argues that the City's assertion of "compassion" for the disabled as a legitimate interest fails because for many years the City paid the disabled retirees' health insurance premium to age sixty-five. (*Id.* at 10).

Third, Plaintiff contends that the City has provided no analysis for how its alleged legitimate reasons are rationally related to the twenty-four-month rule. (*Id.*). She asserts that the mere fact that twenty-four months is an arbitrary time-period confirms that the ordinance is not rationally related to a legitimate government purpose. (*Id.* at 10–11). With respect to cost cutting, Plaintiff highlights that an employee who starts with the City at age nineteen and retires after twenty-five years costs the City more in paid health insurance premiums than Plaintiff, who retired with Parkinson's at age forty-seven, and that only zero to two employees per year have retired as disabled since 2010. (*Id.* at 11).

Accordingly, Plaintiff argues, the cost of disability retiree subsidies is *de minimis* relative to the City's healthcare subsidy totals each month. (*Id.*).

"The Equal Protection Clause requires the government to treat similarly situated persons in a similar manner." *Leib v. Hillsborough Cnty. Pub. Transp. Comm'n*, 558 F.3d 1301, 1305 (11th Cir. 2009) (citation omitted). "When legislation classifies persons in such a way that they receive different treatment under the law, the degree of scrutiny the court applies depends upon the basis for the classification." *Id.* at 1306. "[C]lassifications that neither implicate fundamental rights nor proceed along suspect lines are subject to rational basis review." *Jones v. Governor of Fla.*, 975 F.3d 1016, 1029 (11th Cir. 2020) (citing *Heller v. Doe ex rel. Doe*, 509 U.S. 312, 319–20 (1993)). Persons with a disability are not a suspect class, *City of Cleburne v. Cleburne Living Ctr.*, 473 U.S. 432, 446 (1985); *Glenn v. Brumby*, 724 F. Supp. 2d 1284, 1305–06 (N.D. Ga. 2010), *aff'd*, 663 F.3d 1312 (11th Cir. 2011), and government-paid health insurance is not a fundamental right, *see Morrissey v. United States*, 871 F.3d 1260, 1268 (11th Cir. 2017). Accordingly, the Court must determine if the ordinance requiring disabled retirees to pay their own health insurance premiums is rationally related to a legitimate government interest. *Leib*, 558 F.3d at 1306.

"[A]lthough this rational-basis standard is 'not a toothless one,' it does not allow [the court] to substitute [its] personal notions of good public policy for those of [the municipality]." *Schweiker v. Wilson*, 450 U.S. 221, 234 (1981) (quoting *Mathews v. Lucas*, 427 U.S. 495, 510 (1976)). Particularly, "[i]n the area of economics and social welfare, a [municipality] does not violate the Equal Protection Clause . . . merely because the classifications made by its laws are imperfect." *Id.* (quotation omitted). "The Constitution

does not require the City to draw the perfect line nor even to draw a line superior to some other line it might have drawn. It requires only that the line actually drawn be a rational line." *Armour v. City of Indianapolis*, 566 U.S. 673, 685 (2012). Furthermore, "[a]s long as the classificatory scheme chosen by [the municipality] rationally advances a reasonable and identifiable governmental objective, [the court] must disregard the existence of other methods of allocation that [it] . . . perhaps would have preferred." *Schweiker*, 450 U.S. at 235. Yet, the municipality "may not rely on a classification whose relationship to an asserted goal is so attenuated as to render the distinction arbitrary or irrational." *City of Cleburne*, 473 U.S. at 446.

The Supreme Court "has consistently refused to invalidate on equal protection grounds legislation which it simply deemed unwise or unartfully drawn" "in cases involving social and economic benefits[.]" *U.S. R.R. Ret. Bd. v. Fritz*, 449 U.S. 166, 175 (1980). In *Fritz*, the Supreme Court considered the constitutionality of the Railroad Retirement Act of 1974, which restructured the 1937 Act that provided a system of retirement and disability benefits for those who pursued careers in the railroad industry. *Id.* at 168–71. Specifically, the 1974 Act changed who was qualified for a "windfall benefit" because payment of the windfall benefit threatened the railroad retirement system with bankruptcy by 1981. *Id.* at 168–69. In order to prevent potential bankruptcy, Congress amended the Act to eliminate future accruals of those benefits while preserving windfall benefits for certain classes of employees. *Id.* at 169–70. The Supreme Court held that "Congress could properly conclude that persons who had actually acquired statutory entitlement to windfall benefits while still employed in the railroad industry had a greater equitable claim to those benefits than the members of appellee's class who were no longer in railroad

employment when they became eligible for dual benefits." *Id.* at 178. It found that the test utilized to effectuate the cut off was "not a patently arbitrary means for determining which employees are 'career railroaders,' particularly since the test has been used by Congress elsewhere as an eligibility requirement for retirement benefits." *Id.*

The Supreme Court further explained that "[b]ecause Congress could have eliminated windfall benefits for all classes of employees, it [wa]s not constitutionally impermissible for Congress to have drawn lines between groups of employees for the purpose of phasing out those benefits." *Id.* at 177 (citing *City of New Orleans v. Dukes*, 427 U.S. 297, 305 (1976)). Indeed, "[t]he task of classifying persons for . . . benefits . . . inevitably requires that some persons who have an almost equally strong claim to favored treatment be placed on different sides of the line, and the fact the line might have been drawn differently at some points is a matter for legislative, rather than judicial, consideration." *Id.* at 179 (quotation omitted); *see also Schweiker*, 450 U.S. at 238 ("This Court has granted a strong presumption of constitutionality to legislation conferring monetary benefits because it believes that Congress should have discretion in deciding how to expend necessarily limited resources. Awarding this type of benefits inevitably involves the kind of line-drawing that will leave some comparably needy person outside the favored circle." (quotation omitted)); *Minn. Senior Fed'n, Metro. Region v. United States*, 273 F.3d 805, 808–09 (8th Cir. 2001) (containing costs and expanding health care delivery options are legitimate objectives); *Thompson v. Roberson*, No. TH00-099-C-M/H, 2000 WL 33281120, at *8 (S.D. Ind. Dec. 4, 2000) (finding that the desire to control costs and expenditure of public funds was rational basis for decision to limit benefits); *Doe v. Devine*, 545 F. Supp. 576, 584–85 (D.D.C. 1982) (finding the defendants

offered a rational basis for limitations on mental health benefits—"the completely neutral rationale of reducing health care costs to the government"); *aff'd*, 703 F.2d 1319 (D.C. Cir. 1983)

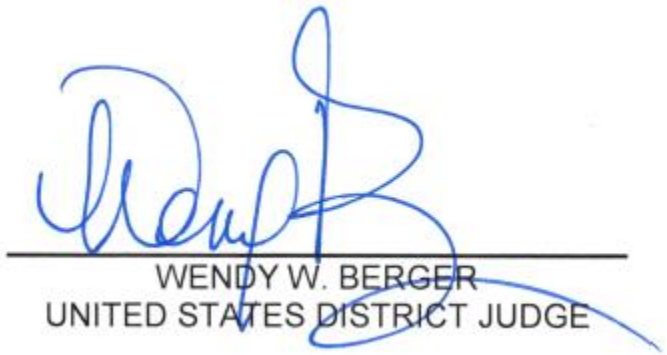
Here, the City has placed retirees into several classifications. There are retirees who were hired before October 1, 2002, who have twenty-five years of service. Those are the only retirees who receive City-paid health insurance until they reach sixty-five years of age under the Ordinance. Disabled retirees receive City-paid health insurance for up to twenty-four months. All other retirees are required to pay their health insurance premiums. The Ordinance provides on its face that City-paid health insurance premiums for disabled retirees were limited to twenty-four months in order to contain costs. Indeed, once the retirees with twenty-five years of service who were hired before October 1, 2002, are phased out, the ordinance will eliminate all City-paid premiums for retirees save for disabled retirees. Although Plaintiff presents several equations of how the present scheme does not reduce the City's costs, the Court's role is not to provide a more effective scheme. And while the Court sympathizes with the fact that Plaintiff was forced to retire just short of her twenty-five years due to Parkinson's disease, the City has demonstrated that it demarcated neutral lines that are rationally related to meet its legitimate goal—i.e., to contain future costs. The Court notes Plaintiff's insistence that the legitimate interests raised by the City are contradicted by deposition testimony. However, "[w]here, as here, there are plausible reasons for [the City's] action, [the] inquiry is at an end" as it is "constitutionally irrelevant whether this reasoning in fact underlay the legislative decision," because the legislative body is not required to "articulate its reasons for enacting a

statute." *Fritz*, 449 U.S. at 179 (quotation omitted). Thus, summary judgment will be granted as to Plaintiff's Equal Protection claim.

IV. CONCLUSION

For the reasons set forth herein, it is **ORDERED** and **ADJUDGED** that Defendant's Motion for Summary Judgment (Doc. 38) is **GRANTED**. The Clerk is directed to enter judgment in favor of Defendant and against Plaintiff, providing that Plaintiff shall take nothing on her claims against Defendant. Thereafter, the Clerk is directed to terminate all pending motions and close this case.

DONE AND ORDERED in Orlando, Florida on December 7, 2021.



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