

CITY COUNCIL COMMUNICATION



MEETING DATE: January 23, 2024

ITEM NUMBER: 9.{{item.number}}

SECOND READING:

{{customfields.ResoOrdNumber}}

TYPE OF ITEM: Consent

PRESENTED BY:

Jim Golden, Finance Administration, Jim.Golden@longmontcolorado.gov

SUBJECT/AGENDA TITLE:

Ordinances Approving Amendments to the City of Longmont Retirement Plans

EXECUTIVE SUMMARY:

The proposed five ordinances include amendments to the six retirement plans maintained by the City of Longmont. The amendments are to comply with federal legislation that has been passed that impacts retirement plans.

COUNCIL OPTIONS:

1. Approve the Ordinances
2. Do not approve the Ordinances

RECOMMENDED OPTIONS:

Approve the Ordinances

FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:

There is no direct fiscal impact to the City from any of the proposed plan amendments.

BACKGROUND AND ISSUE ANALYSIS:

The City of Longmont maintains six retirement plans as follows:

- General Employees Retirement Plan – a defined benefit plan for all civilian employees (the "GERP").
- Old Hire Police Pension Plan – a defined benefit plan for sworn police employees hired prior to April 1978 (the "Old Hire Police Plan").
- Old Hire Firefighters Pension Plan – a defined benefit plan for sworn fire employees hired prior to April 1978 (the "Old Hire Fire Plan").
- Money Accumulation Pension Plan – a defined contribution plan for all civilian employees (the "MOPC").
- New Hire Police Pension Plan – a defined contribution plan for sworn police employees hired before November 2021 (the "New Hire Police Plan").
- New Hire Fire Employees' Pension Plan – a defined contribution plan for sworn fire

employees hired before October 2021 (the "New Hire Fire Plan").

In recent years, federal legislation has been passed that impacts retirement plans. The legislation were the Secure Act in 2019; the Cares Act in 2020; and the Secure Act 2.0 in 2022. The two Secure Acts impact both defined benefit and defined contribution plans. The Cares Act impacts defined contribution plans.

The City uses special counsel for retirement plan compliance. Jessica Culotti of Reinhart Boerner Van Deuren drafted the plan amendments for the City as well as the attachment with the explanation of the amendments. Here is a brief comprehensive summary of the amendments:

- 1) Each of the plans is adopting the new required minimum distribution age and timing requirements.
- 2) The defined contribution plans are adopting new IRS guidance on the use of plan forfeitures.
- 3) The New Hire defined contribution plans are clarifying the practice of automatic cashouts for small balances.
- 4) There is one ordinance for the two old hire pension plans and then one individual ordinance for each of the other four retirement plans

If there are questions on the proposed amendments, please contact CFO Jim Golden at (303) 651-8629.

ATTACHMENTS:

Att 1 – Ordinance amending the LMC, adopting an amended and restated City of Longmont General Employees' Retirement Plan

Att 2 - Ordinance amending the LMC, adopting amendments to the City of Longmont Old Hire Police Pension Plan and Old Hire Fire Pension Plan

Att 3 - Ordinance amending the LMC, adopting amendments to the Money Accumulation Pension Plan for Employees of the City of Longmont

Att 4 - Ordinance amending the LMC, adopting amendments to the City of Longmont Police Pension Plan and Trust Agreement

Att 5 - Ordinance amending the LMC, adopting amendments to the City of Longmont Fire Employees' Pension Plan and Trust Agreement

Att 6 - Explanation of 2024 Amendments to the City of Longmont Retirement Plans