

# CITY COUNCIL COMMUNICATION



**MEETING DATE:** January 28, 2025

**ITEM NUMBER:** 9.B

**SECOND READING:** February 11, 2025

{{customfields.ResoOrdNumber}}

**TYPE OF ITEM:** Consent

**PRESENTED BY:**

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**SUBJECT/AGENDA TITLE:**

Ordinances Approving Amendments to the City of Longmont Retirement Plans

**EXECUTIVE SUMMARY:**

The proposed ordinances include amendments to the 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 four retirement plans for active employees as follows:

- General Employees Retirement Plan – a defined benefit plan for all civilian employees (the "GERP").
- 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 2022, federal legislation was passed that impacts retirement plans. The legislation was the Secure Act 2.0. The Secure Act impacts both defined benefit and 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) The GERP is increasing the automatic cashout limit for small benefits.
- 2) The GERP is being amended to clarify that spousal consent is not necessary if a member elects a 50% or 100% survivor benefit with their spouse as the beneficiary.
- 3) The defined contribution plans are being amended to clarify their use of forfeitures.
- 4) The defined contribution plans are being amended for changes to required minimum distributions in regard to death benefits.
- 5) The New Hire plans are being amended in regard to the distribution of death benefits.

If there are questions on the proposed amendments, please contact Jim Golden at (303) 651-8629 or Teresa Molloy at (303) 651-8970.

## **ATTACHMENTS:**

Att 1 -Explanation of 2025 Amendments to City of Longmont Retirement Plans.

Att 2 - Ordinance amending the LMC, adopting an amended and restated City of Longmont General Employees' Retirement 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