

CITY COUNCIL COMMUNICATION



MEETING DATE: November 09, 2021

ITEM NUMBER: 9.D

SECOND READING: November 30, 2021

{{customfields.ResoOrdNumber}}

TYPE OF ITEM: Consent

PRESENTED BY:

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

SUBJECT/AGENDA TITLE:

A Bill For An Ordinance Amending Section 3.04.885 Of The Longmont Municipal Code Adopting An Amendment To The City Of Longmont Police Employees' Pension Plan And Trust Agreement

EXECUTIVE SUMMARY:

In July of this year the City Council approved a new collective bargaining agreement for Police personnel. As part of the agreement the City agreed to allow the sworn Police who are currently covered by the City New Hire Police retirement plan to make a one-time irrevocable choice to enter into the Colorado Fire and Police Pension Association (FPPA) system. As of November 10, 2021, all sworn Fire new hires will become members of the FPPA defined benefit plan.

Current employees have recently made an individual choice to either enter the FPPA system or remain in the existing City New Hire Police retirement plan. If they chose to enter the FPPA retirement system, they will have a choice to enter the FPPA defined benefit plan or the FPPA hybrid plan which offers both a defined benefit as well as a money purchase benefit.

For 2022, the FPPA defined benefit plan requires an employer contribution of 10.9% while the FPPA hybrid plan requires an employer contribution of 13.7%. In order to be fair and competitive the City will also raise the employer contribution to the City New Hire Fire retirement plan from 12% to 13.7%.

While preparing the budget it was impossible to know how many members would choose which of the three options available to them for 2022. Accordingly, we budgeted the City contribution for 2022 for all of those employees at 13.7%. The transition to the FPPA defined benefit system requires amendments to the existing Police Pension Plan and Trust Agreement. The amendments first had to receive approval from at least 65% of the members of the plans. Approval was received through an election held during three weeks of October. The amendments will allow a partial plan termination which allows members to leave the plan to go to the FPPA defined benefit system. The amendments also increase the contribution requirements for the City as indicated above.

**COUNCIL OPTIONS:**

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

RECOMMENDED OPTIONS:

Approve the Ordinance

FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:

These costs are from the General Fund and the Public Safety Fund. The budgeted cost for the maximum increase in contributions from 10% to 13.7% is \$458,842 from the General Fund and \$163,329 from the Public Safety Fund.

BACKGROUND AND ISSUE ANALYSIS:**ATTACHMENTS:**

Att 1 - Ordinance