



Legislation Text

File #: ID 21-1792, Version: 1

Agenda Item: 11(B)	Prepared By: Laura Litzan, City Clerk
Business: Ordinance - First Reading	Department: Executive

Subject:

Ordinance - First Reading - Amending Chapter 32 "Law Enforcement," Article II "Police Officers' Pension Plan"

BACKGROUND:

In accordance with the Collective Bargaining Agreement between the City and the Fraternal Order of Police, ratified by City Council at the meeting of August 15, 2021, this Ordinance amends the Code to effectuate the various proposed changes to the Plan and has been reviewed by the City Attorney and forwarded to the Plan's general counsel.

The City maintains a defined benefit pension plan for its certified police officers, which is known as the City of Marco Island Police Officers' Pension Plan (the "Plan"), and which is codified in Chapter 32 of the City's Code of Ordinances. The City and the Fraternal Order of Police collectively bargained certain changes to the Plan in the 2021-2024 Collective Bargaining Agreement and, in accordance with statutory law, the Code must be amended to conform with said changes. These changes include (1) a *decrease* of the annual cost-of-living-adjustment (COLA) for retirees from 3% to 1% - 1.5%; (2) an *increase* in employee contributions from .5% to 3%; (3) an *increase* in the normal retirement date to age 57 and six years of service or 25 years of service and age 52, which modifies the status quo of retirement date of age 55 and six years of service, or 25 years of service, regardless of age; and (4) a reallocation of the insurance premium tax revenues annually received by the State, such that the City receives \$137,352.30 and 35% of any amount in excess, and employees receive 65% of any amount in excess. Presently the City receives \$137,352.30 of insurance premium tax revenues and the City and employees evenly split any amount in excess.

FUNDING SOURCE / FISCAL IMPACT: An updated actuarial impact statement will be provided between first and second reading by the Plan's actuary.

RECOMMENDATION: Adopt the Ordinance on first reading.

POTENTIAL MOTION: "I move to adopt the Ordinance as presented on first reading."