



Legislation Text

File #: ID 21-1979, Version: 1

Agenda Item: 11(A)1	Prepared By: Laura Litzan, City Clerk
Business: Ordinance - Second Reading	Department: Executive

Subject:

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

BACKGROUND:

In accordance with the Collective Bargaining Agreement (CBA) 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, which was adopted by City Council on first reading at the October 4, 2021 meeting. The Actuarial Impact Statement dated October 29, 2021 is attached.

In summary, 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: The fiscal impact applicable to the fiscal year ending September 30, 2022 reduces the City Required Contribution from 21.95% of projected annual payroll to 20.01%. An additional reduction to the City Required Contribution is expected in the second year of the CBA when the Member Contributions increase from .5% to 3% - this is not currently reflected in this Actuarial Impact Statement.

RECOMMENDATION: Adopt the Ordinance on second reading.

POTENTIAL MOTION: "I move to adopt Ordinance 21-17 as presented on second reading."