

**CITY OF JOPLIN
COUNCIL AGENDA ITEM**

ITEM

Council Bill 2019-535 – Approving amendments to the Employee Manual for the voluntary migration of Tier II public safety employees from the pension plan to the LAGERS retirement system

MEETING DATE

December 2, 2019

ORIGINATING DEPT

Finance

ATTACHMENTS

CB 2019-535 Ordinance; Exhibit “A” Section 3.9, Exhibit “B” Section 3.12, Exhibit “C” Section 4.9, Exhibit “D” Fringe Benefits Sections (2), (3), (9), (11), (13) and (18)

REVIEWED BY

Department Head: Leslie Haase; Human Resources Director: Dave Allgood; City Attorney: Peter Edwards; Interim City Manager: Dan Pekarek

SUMMARY

This Council Bill amends the Employee Manual for the voluntary migration of Tier II public safety employees from the pension plan to the LAGERS retirement system.

BACKGROUND

In late 2018, an internal work group began working on a recommendation to improve public safety recruiting and retention. The recommendation from the work group was as follows:

- Fund and close the pension plan to new hires
- Move new hires to the LAGERS retirement L-11 plan
- Allow Tier II employees the voluntary option to migrate to LAGERS

This plan required voter approval of a ½-cent sales tax dedicated for these purposes until the pension plan is either 120% funded or 12 years, whichever occurs first. Voters approved this tax on November 5, 2019. It is anticipated this tax will go into effect on April 1, 2020 with the first collections by the City in June.

There are many steps to implementing this plan. Currently, individual meetings are being held with each Tier II public safety employee to discuss and review their retirement plan options. Tier II employees must elect by January 31, 2020 to either remain in the pension plan or migrate to LAGERS. If a Tier II employee elects to migrate to LAGERS, under LAGERS rules the employee must be a new employee. As a result, employees making the election to migrate will voluntarily terminate their service with the City on February 28, 2020 and be rehired by the City on February 29, 2020.

Employees making this election will not forfeit any service-related benefits, such as vacation, sick leave, insurance benefits, and longevity pay. They also will not be required to serve additional probationary time. As a result, revisions to the Employee Manual are required to reflect this transition by public safety employees from the policemen's and firemen's pension plan to the LAGERS retirement system.

The Sections that are being revised are as follows:

- Amend Section 3.9 Rehire
- Amend Section 3.12 Probationary Period
- Add new Section 4.9 Prior Service Credit Benefit
- Amend Fringe Benefits Sections
 - (2) Annual Leave-Vacation
 - (3) Sick and Emergency Leave
 - (9) Group Hospital and Medical Benefits
 - (11) Retirement Programs
 - (13) Disability and Income Protection Plan
 - (18) Longevity Pay

The City's outside consultant assisting the internal work group with this plan rewrote the required sections of the Employee Manual, which was reviewed by the work group. The Personnel Board approved the revisions to the Employee Manual by a vote of 4-0-1 on November 21, 2019.

FUNDING SOURCE

This item is not applicable for this council bill.

RECOMMENDATION

Staff recommends approval of this council bill on first reading.