

**CITY OF JOPLIN
COUNCIL AGENDA ITEM**

ITEM

Council Bill 2019-537 – Amending Policemen’s and Firemen’s Pension Plan to close the plan to new hires effective February 1, 2020

MEETING DATE

December 2, 2019

ORIGINATING DEPT

Finance

ATTACHMENTS

CB 2019-537 Ordinance; Exhibit A-Restated Pension Plan; Proposed Plan Changes Summary

REVIEWED BY

Department Head: Leslie Haase; City Attorney: Peter Edwards; Interim City Manager: Dan Pekarek

SUMMARY

This Council Bill amends the Policemen’s and Firemen’s Pension Plan to close the plan to new hires effective February 1, 2020.

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.

The council bill amends the language in the Pension Plan to close the plan to new hires effective February 1, 2020. The following sections are being amended:

1. Section 1.13-Covered Employee
2. Section 1.14-Credited Service
3. Section 2.1-Eligibility
4. Section 2.2-Participation
5. Section 2.4-Reemployment of a Former Participant
6. Section 6.2-Employer Contributions

A summary of the plan changes is attached for your review. The Board of Trustees of the Pension Board submitted the amendments to the qualified participants and held an official election from July 15 to August 9, 2019. The membership voted 211 in favor and 5 against the proposed pension plan amendments.

Any change to the Policemen's and Firemen's Pension Plan must be approved by the membership through an election and ratified by the City Council in an ordinance.

FUNDING SOURCE

This item is not applicable for this council bill.

RECOMMENDATION

Staff recommends approval of this council bill on first reading.