



Legislation Details (With Text)

File #: 18-763 **Version:** 1 **Name:**
Type: Action Item **Status:** Agenda Ready
File created: 2/21/2018 **In control:** Town Council Meeting
On agenda: 3/12/2018 **Final action:**
Title: Request Approval of Revisions to Town Civilian and Sworn Pension Plans

Sponsors:

Indexes:

Code sections:

Attachments: 1. Proposed Changes to Retirement Plans, 2. Civilian Retirement Plan, 3. 2018 Civilian Plan Document-Revised- changes in Red, 4. Sworn Town Retirement Plan, 5. POLICE PLAN 2018 Revised- changes in Red

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------|----------|--------|
| 3/12/2018 | 1 | Town Council Meeting | approved | Pass |

Subject:

Request Approval of Revisions to Town Civilian and Sworn Pension Plans

EXPLANATION AND SUMMARY :

The Town operates two defined benefit pension plans that were originally intended to supplement the State's retirement plan. The plan for civilian employees was closed to new entrants in 2006 and replaced with the 401(A) plan, but it still is utilized by approximately 10 active employees and 46 retirees. The plan for sworn police personnel is a supplemental benefit for law enforcement employees that serves 41 employees and 25 retirees. The plans are administered by the Local Pension Committee.

The Local Pension Committee was approached by the Police Association to explore changing certain provisions of the sworn plan. The key changes requested were to lower the age for retirees to receive an annual cost of living increase from age 55 to age 46 and to consider increasing the pension multiplier beyond a 25-year employment period.

After discussion, including of the increased cost for changing plan assumptions, the committee approved changing the COLA age and agreed to revisit the multiplier change in the future.

When the committee looked into this change, it performed a thorough review of both the civilian and sworn pension plans. Several other plan issues need to be updated as the plans had not been amended since 2004 for the civilian plan and 1994 for the sworn plan. The committee met on February 5, 2018 and approved additional changes to the plans. A summary of those changes and the original and red-highlighted plans are attached for further detail.

Changes to the plan are required to be approved by Town Council.

Departmental Recommendation : Recommend Council approve changes to the civilian and sworn local pension plans as submitted.

Finance Recommendation : Recommend Council approve changes to the civilian and sworn local pension plans as submitted.

Purchasing Recommendation : N/A

Town Attorney Recommendation : Town Council may approve proposed changes to the Town's employee pension plans in its discretion.

Town Manager's Recommendation : I recommend the Town Council approve the proposed changes to the civilian and sworn local pension plans as presented.

Cost and Financing: \$0

Account Number: N/A

Decision Needed by This date: March 12, 2018

PROPOSED/SUGGESTED MOTION

"I move to approve the proposed changes to the civilian and sworn local pension plans as presented."

Or

Other action deemed necessary by Council.