



ITEM SUMMARY

MEETING DATE: October 7, 2024
FROM: Andrea McCue, City Manager, Administration
SUBJECT: Ordinance 2024-27 – DROP Extension to Eight Years for Police and Fire

BACKGROUND

The City established a Retirement Plan and Trust on January 1, 1996. The Adoption Agreement authorizes the City Council to amend the Plan and Trust Agreement. Currently the Retirement Plan permits members to elect to participate in a Deferred Retirement Option Program (DROP) for a maximum period of five (5) years.

ANALYSIS

The City is looking to extend the DROP participation from the prior maximum of five (5) years to the maximum of eight (8) years.

FINANCIAL INFORMATION

The City's actuary has advised that extending the DROP period will have no cost impact on the Pension Plan. The police officers are no longer employed by the City so there would be no impact on City payroll. Higher payroll costs may be expected for firefighters as the firefighters have the option to stay longer. The cost would be negligible.

LEGAL

The City's Pension Attorney has prepared the Ordinance and supporting documents which are legally sufficient and in compliance with applicable laws.

STAFF RECOMMENDATION

Staff is recommending approval of Ordinance 2024-27 on first reading.