



AGENDA ITEM ANALYSIS

Project/Issue Name: 24-R-46 A Resolution of the City Council Authorizing an Amendment to the City's Employee Benefit Program through the Missouri Local Government Employees Retirement System (LAGERS).

Submitted By: Lisa Addington, Chief of Staff

Date: October 15, 2024

Issue Statement

To approve the change in LAGERS benefit retirement plan from L-3 to L-6 and authorizing the necessary budget adjustments.

Discussion and/or Analysis

After satisfying the 45-posting period of our costing information as required by RSMo 105.675, we are bringing this Resolution to finalize and approve the decision to change the city's LAGERS benefit plan from L-3 to L-6. This change in benefit plan will be reflected in the 2025 budget ordinance scheduled to be presented for approval on November 5, 2024 with discussion at the budget workshop scheduled for 10/29/24. The effective date of this LAGERS plan change will commence on 1/1/2025 pursuant to the provisions of sections 70.600-70.755 RSMo.

For reference to the plan change:

- LAGERS is a Defined Benefit Pension Plan. The City makes 100% of the required contributions to this defined benefit plan. The employee's benefit amount can be calculated by:
 - a. Years of service multiplied by
 - b. Highest three years of base salary multiplied by
 - c. 1.25% multiplier (L-3) vs. 2.00% multiplier with L-6.



Retirement Plan Changes
Cost Impacts (based on projected 2025 staffing levels)

	Current Retirement	Proposed Retirement	Increase (Decrease)
LAGERS	L-3	L-6	
General	\$774,488	\$1,316,000	\$541,512
Police	\$266,056	\$459,897	\$193,841
Fire	\$201,599	\$371,449	\$169,851
	\$1,242,143	\$2,147,347	\$905,204
457 Savings Plan (change in plan from 9% to 4% with match)	9%	4%	
General	\$566,699	\$251,866	(\$314,833)
Police	\$171,036	\$76,016	(\$95,020)
Fire	\$142,865	\$63,496	(\$79,369)
	\$880,600	\$391,378	(\$489,222)
Total Retirement Costs	\$2,122,743	\$2,538,725	\$415,982

Recommended Action

Staff recommends approval of adopting the LAGERS benefit change from L-3 to L-6 with an effective date of 1/1/2025.