
MEMORANDUM

DATE: November 2, 2021

TO: Greg Harrison, City Manager

FROM: Brian Donovan, Assistant City Manager

SUBJECT: Service Pension Credit

The proposed Ordinance reflects the changes negotiated between the City and the Federation of Public Employees for contract year October 2021 through September 2024. A new Section in the Code is proposed that will allow members to pay all costs associated with the following: Members who are eligible to retire or enter the DROP (i.e., age 55 with 20 years of service or age 62 with 3 years of service), but who have not yet elected to retire or enter the DROP, may elect to purchase additional service time needed to round-up that year of service prior to retiring or entering the DROP. For example, an employee who has reached age 55 and who has 21 years and 7 months of service (and who has not yet retired or entered the DROP) may elect to purchase additional service time to allow the employee to retire or enter the DROP with 22 years of service (for purposes of collecting a greater retirement benefit). If a member elects to purchase additional service time, the member agrees to pay all costs, including the City's portion, prior to retiring or entering the DROP.

The City Code will also be revised to reflect the parties' agreement to allow members who terminate their employment with the City and are subsequently re-employed by the City to buy back partial or all service time from previous years of service prior to retirement or entering the City's DROP. If a member elects to buy back partial or all service time from previous years of service prior to retiring or entering DROP, the member agrees to pay all costs, including the City's portion, the balance of which must be paid by the member to the City in full prior to the member electing to retire or enter the DROP.

Due to timing issues, 2nd reading will be held first and first reading will be held at the December 14th City Commission meeting.