



MEMORANDUM

DATE: June 26, 2015

TO: Mayor Michael J. Pantelides
Thomas C. Andrews, City Manager
Members of the City Council

FROM: Paul M. Rensted, Director of Human Resources

RE: Police Fire Retirement Plan Document

A handwritten signature in blue ink, appearing to read "Paul M. Rensted", is written over the "FROM:" line of the memorandum.

In 1980, the City of Annapolis established a retirement plan ("Plan") for its Police Officers and Firefighters. The Plan is codified in Chapter 3.36 of the City Code. Over the past 35 years, the Plan has been updated and modified multiple times. Some of these changes have been incorporated into the City Code, while others are incorporated in collective bargaining agreements and side letters with the Police and Fire Unions. Consequently, there is no comprehensive plan document that fully sets forth the terms of the retirement program for the City's police officers and firefighters.

As a result of the lack of a single pension plan document, in 2013, the City and its Unions entered into an agreement as part of interest based bargaining that included the following language:

"The City will prepare a Plan Document for the Police & Fire Retirement Plan with a Summary Plan Description for each Plan by July 1, 2014. No substantive changes will be made to the Plan (except for those set forth in this MOU) and legislation will be submitted to the City Council that allows incorporation by reference of the Plan Document into the City Code."

Ordinance O-35-15 is the legislation that revises the City Code to incorporate by reference the terms of the attached Plan Document. This Plan Document was prepared by Katrina Kamantauskus- Holder, an attorney specializing in employee benefits issues, including public sector pension matters. The Plan Document makes no substantive changes to the existing retirement programs. Rather, it combines the language of the City Code with the pension provisions included in the collective bargaining agreements and side letters to provide employees, retirees, and City officials with a single document they can turn to for the purpose of understanding the Police and Fire Retirement Plan.

The Document also includes Appendices which set forth historical provisions no longer in effect, administrative procedures, and the terms of the Deferred Retirement Option Program established in 2013. In addition to consolidating various Plan provisions, the Document made several changes necessary to bring the plan into compliance with the Internal Revenue Code. The draft Plan Document was reviewed by representatives of the Police and Fire Unions.