

1 **..Title**

2 **Police and Fire Retirement Plan Cost of Living Adjustments** – For the purpose of
3 providing that effective July 1, 2013, and each July 1st thereafter, each Retired Member
4 or survivor of any such Retired Member, entitled to receive a retirement benefit as of
5 June 30th of any year, shall receive a fixed annual two-percent (2%) increase above the
6 amount the Retired Member or survivor had received on June 30th of the same year.

7 **..Body**

8 **CITY COUNCIL OF THE**
9 **City of Annapolis**

10 **Ordinance 24-14**

11 **Introduced by: Alderwoman Finlayson, Alderman Arnett, and Alderwoman Pindell-**
12 **Charles**

13 **Referred to**
14 **Rules and City Government**
15 **Finance**

16 **A ORDINANCE** concerning

17 **Police and Fire Retirement Plan Cost of Living Adjustments**

18 **FOR** the purpose of providing that effective July 1, 2013, and each July 1st thereafter,
19 each Retired Member or survivor of any such Retired Member, entitled to receive
20 a retirement benefit as of June 30th of any year, shall receive a fixed annual two-
21 percent (2%) increase above the amount the Retired Member or survivor had
22 received on June 30th of the same year.

23 **BY** repealing and re-enacting with amendments the following portions of the Code of
24 the City of Annapolis, 2012 Edition
25 Section 3.36.150

26 **WHEREAS,** in 2012, the City of Annapolis entered into negotiations with the United
27 Food and Commercial Workers (UFCW) Local 400 and the International
28 Association of Fire Fighters (IAFF) Local 1926 regarding, among other
29 matters, cost of living adjustments (COLAs) associated with pension
30 plans; and

31 **WHEREAS,** as a result of the negotiations, the City of Annapolis and UFCW Local 400
32 and IAFF Local 1926 reached an agreement that effective July 1, 2013,
33 and each July 1st thereafter, each Retired Member or survivor of any such
34 Retired Member, entitled to receive a retirement benefit as of June 30th of
35 any year, shall receive a fixed annual two-percent (2%) increase above
36 the amount the Retired Member or survivor had received on June 30th of
37 the same year; and

1 **WHEREAS,** on October 28, 2013 the City Council ratified separate Memoranda of
2 Understanding (MOU) between UFCW Local 400 and IAFF Local 1926 on
3 October 28, 2013; and
4

5 **WHEREAS,** pursuant to the ratified MOUs, COLAs were effective on July 1, 2013;
6

7 **WHEREAS,** since the COLAs had an effective date before the City Council ratified the
8 MOUs, the City paid a 2% COLA on June 2, 2014 to Old Plan and Old
9 Plan Revised Retired Members and survivors of any such Retired
10 Members for the period of July 1, 2013 through June 30, 2014, plus an
11 additional 5% interest in recognition of the COLA effective date of July 1,
12 2013; and
13

14 **WHEREAS,** on June 2, 2014, the City paid to New Plan and New Plan Revised
15 Retired Members and survivors a COLA of 2%, inclusive of an October 1,
16 2013 adjustment of 1.79% based on the Consumer Price Index (CPI) in
17 recognition of the July 1, 2013 effective date; and
18

19 **WHEREAS,** Retired Members received a 2% COLA with their July 1, 2014 payment.
20

21 **SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS**
22 **CITY COUNCIL** that the Code of the City of Annapolis shall be amended to read as
23 follows:
24

25 **CHAPTER 3.36 – POLICE AND FIRE RETIREMENT**

26 **3.36.150 Cost-of-living adjustment.**

27 EFFECTIVE JULY 1, 2013 AND EACH JULY 1ST THEREAFTER, EACH RETIRED
28 MEMBER OR SURVIVOR OF ANY SUCH RETIRED MEMBER, ENTITLED TO
29 RECEIVE A RETIREMENT BENEFIT AS OF JUNE 30TH OF ANY YEAR, SHALL
30 RECEIVE A FIXED ANNUAL TWO-PERCENT (2%) INCREASE ABOVE THE AMOUNT
31 THE RETIRED MEMBER OR SURVIVOR HAD RECEIVED ON JUNE 30TH OF THE
32 SAME YEAR.
33

34 ~~The retirement pension benefits of any member, and the annuity benefits of any~~
35 ~~eligible survivor of a deceased member, shall be adjusted according to the following:~~

36 ~~A. For (1) any member hired prior to August 1, 1972, (2) any member hired on or~~
37 ~~after August 1, 1972 and prior to August 1, 1979 who does not elect to be~~
38 ~~covered by Section 3.36.020(A)(11)(c)(ii) (pertaining to normal service~~
39 ~~retirement after twenty-five years of active service), and (3) the eligible~~
40 ~~survivors of a deceased member falling into category (1) or (2), the pension~~
41 ~~benefits for service retirement or disability retirement being paid to the member,~~
42 ~~or the annuity benefits being paid to eligible survivor(s) of such a deceased~~
43 ~~member, shall be adjusted according to the following:~~

44 ~~1. Each retired member's pension shall be increased by the same percentage~~
45 ~~as any increase in the pay scale for members of the same rank and years~~
46 ~~of service who are on active duty. If no increase in the pay scale for~~
47 ~~members of the same rank and years of service who are on active duty is~~

1 provided in the annual budget, then the member's pension shall be
2 increased, effective July 1st of that year, by such cost of living adjustment
3 as the City Council, in its discretion, shall provide by resolution. If the
4 member had elected to be covered under the normal service retirement
5 benefit formula described in Section 3.36.040(A)(2), the annual adjustment
6 to the member's retirement benefit shall not exceed four percent of the
7 amount of the annuity the member was receiving immediately before the
8 date the adjustment is made.

9 2. ~~The annuity payable to an eligible survivor of a deceased member shall be
10 increased by the same percentage as any increase in the pay scale for a
11 member holding the same position with the City as held by the member
12 from whom the eligible survivor derives the survivor's rights under this plan
13 immediately before the member's retirement date; provided, however, that
14 the increase in the annuity benefit shall not exceed three percent of the
15 amount of the annuity the eligible survivor was receiving immediately
16 before the date the adjustment is made.~~

17 B. ~~For (1) any member hired on or after August 1, 1972, but prior to August 1,
18 1979 who did elect to be covered by Section 3.36.020(A)(11)(c)(ii), (2) any
19 member hired on or after August 1, 1979 but before July 1, 1980 who did elect
20 to be covered by Section 3.36.020(A)(11)(d)(ii), any member hired on or after
21 July 1, 1980 and (4) the eligible survivors of a deceased member falling into
22 categories (1), (2) or (3), the pension benefits for service retirement or disability
23 retirement being paid to the member, or the annuity benefits being paid to the
24 eligible survivor(s) of a deceased member, shall be adjusted as follows: The
25 retirement pension benefits and the survivor annuity benefits in effect on each
26 June 30th will be adjusted, effective the following October 1st, by a percentage
27 equal to the percentage of change in the Consumer Price Index for Urban
28 Wage Earners and Clerical Workers (CPI-W), 1967=100, all items, published by
29 the U.S. Department of Labor, as applied to the Baltimore area, over the
30 twelve-month period ending on the June 30th immediately preceding the
31 October 1st as of which the adjustment is being made. If the U.S. Department
32 of Labor fails to publish that index, then the adjustment to benefits shall be
33 measured by another index measuring the cost of living as the City Council, in
34 its discretion, selects. The annual adjustment to a retirement pension benefit
35 shall not exceed three percent of the original retirement benefit. The annual
36 adjustment to a survivor annuity benefit shall not exceed three percent of the
37 original amount of the survivor benefit when first paid.~~

38
39 **SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE**
40 **ANNAPOLIS CITY COUNCIL** that this Ordinance shall take effect from the date of its
41 passage.

42
43 **ADOPTED** this _____ day of _____, _____.

44
45
46 **EXPLANATION**

47 CAPITAL LETTERS indicate matter added to existing law.
48 Strikethrough indicates matter stricken from existing law.
49 Underlining indicates amendments.