File #: O-18-15, **Version:** 1

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

CITY COUNCIL OF THE
City of Annapolis

Ordinance 18-15

Introduced by: Alderwoman Finlayson and Alderman Arnett

Referred to
Rules and City Government
Finance

A ORDINANCE concerning

Police and Fire Retirement Plan Cost of Living Adjustments

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

BY repealing and re-enacting with amendments the following portions of the Code of the City of Annapolis, 2013 Edition
Section 3.36.150

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

WHEREAS, as a result of the negotiations, the City of Annapolis and UFCW Local 400 and IAFF Local 1926 reached an agreement that effective July 1, 2013, and each July 1st thereafter, each Retired Member or survivor of any such Retired Member, entitled to receive a retirement benefit as of

June 30th of any year, shall receive a fixed annual two-percent (2%) increase above the amount the Retired Member or survivor had received on June 30th of the same year; and

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

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

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

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

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

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

CHAPTER 3.36 - POLICE AND FIRE RETIREMENT

3.36.150 Cost-of-living adjustment.

Effective July 1, 2013 and EACH July 1st thereafter, each Retired Member or survivor of any such Retired Member OF THE NEW PLAN OR NEW PLAN REVISED, entitled to receive a retirement benefit as of June 30th of any year, shall receive a fixed annual two-percent (2%) increase above the amount the Retired Member or survivor had received on June 30th of the same year.

THE RETIREMENT PENSION BENEFITS OF ANY MEMBER, AND THE ANNUITY BENEFITS OF ANY ELIGIBLE SURVIVOR OF A DECEASED MEMBER, SHALL BE ADJUSTED ACCORDING TO THE FOLLOWING:

A. FOR (1) ANY MEMBER HIRED PRIOR TO AUGUST 1, 1972, (2) ANY MEMBER HIRED ON OR AFTER AUGUST 1, 1972 AND PRIOR TO AUGUST 1, 1979 WHO DOES NOT ELECT TO BE COVERED BY SECTION 3.36.020(A)(11)(C)(II) (PERTAINING TO NORMAL SERVICE RETIREMENT AFTER TWENTY-FIVE YEARS OF ACTIVE SERVICE), AND (3) THE ELIGIBLE SURVIVORS OF A DECEASED MEMBER FALLING INTO CATEGORY (1) OR (2), THE PENSION BENEFITS FOR SERVICE RETIREMENT OR DISABILITY RETIREMENT BEING PAID TO THE MEMBER, OR THE ANNUITY BENEFITS BEING PAID TO ELIGIBLE SURVIVOR(S) OF SUCH A DECEASED MEMBER, SHALL BE ADJUSTED ACCORDING TO

THE FOLLOWING:

1. EACH RETIRED MEMBER'S PENSION SHALL BE INCREASED BY THE SAME PERCENTAGE AS ANY INCREASE IN THE PAY SCALE FOR MEMBERS OF THE SAME RANK AND YEARS OF SERVICE WHO ARE ON ACTIVE DUTY. IF NO INCREASE IN THE PAY SCALE FOR MEMBERS OF THE SAME RANK AND YEARS OF SERVICE WHO ARE ON ACTIVE DUTY IS PROVIDED IN THE ANNUAL BUDGET, THEN THE MEMBER'S PENSION SHALL BE INCREASED, EFFECTIVE JULY 1ST OF THAT YEAR, BY SUCH COST OF LIVING ADJUSTMENT AS THE CITY COUNCIL, IN ITS DISCRETION, SHALL PROVIDE BY RESOLUTION. IF THE MEMBER HAD ELECTED TO BE COVERED UNDER THE NORMAL SERVICE RETIREMENT BENEFIT FORMULA DESCRIBED IN SECTION 3.36.040(A)(2), THE ANNUAL ADJUSTMENT TO THE MEMBER'S RETIREMENT BENEFIT SHALL NOT EXCEED FOUR PERCENT OF THE AMOUNT OF THE ANNUITY THE MEMBER WAS RECEIVING IMMEDIATELY BEFORE THE DATE THE ADJUSTMENT IS MADE.

2. THE ANNUITY PAYABLE TO AN ELIGIBLE SURVIVOR OF A DECEASED MEMBER SHALL BE INCREASED BY THE SAME PERCENTAGE AS ANY INCREASE IN THE PAY SCALE FOR A MEMBER HOLDING THE SAME POSITION WITH THE CITY AS HELD BY THE MEMBER FROM WHOM THE ELIGIBLE SURVIVOR DERIVES THE SURVIVOR'S RIGHTS UNDER THIS PLAN IMMEDIATELY BEFORE THE MEMBER'S RETIREMENT DATE; PROVIDED, HOWEVER, THAT THE INCREASE IN THE ANNUITY BENEFIT SHALL NOT EXCEED THREE PERCENT OF THE AMOUNT OF THE ANNUITY THE ELIGIBLE SURVIVOR WAS RECEIVING IMMEDIATELY BEFORE THE DATE THE ADJUSTMENT IS MADE.

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

EXPLANATION
CAPITAL LETTERS indicate matter added to existing law.
~~Strikethrough~~ indicates matter stricken from existing law.
<u>Underlining</u> indicates amendments.