

Legislation Text

File #: BILL NO. 24-085, **Version:** 1

An Ordinance amending the Code of Ordinances Section 2-339 Determination of Final Average Salary to change the time period used for determining a member employee's final average salary from a sixty (60) consecutive-month period to a thirty-six (36) consecutive-month period with the Missouri Local Government Employees Retirement System. (F&BC 5/6/24)

(Note: First read by Council on June 4, 2024. Passed by unanimous vote with one recusal.)

Issue/Request:

This is a follow up to the City Manager presentation of the Attraction, Satisfaction and Retention (ASR) Teams initiative from the April 9, 2024 City Council meeting. This information is being presented to consider changing the Local Government Employee Retirement System (LAGERS) retirement program L-6 plan calculation from a sixty (60) consecutive month final average salary to a thirty-six (36) month consecutive month final average.

In order to make any changes to the final average salary calculation, LAGERS requires a process be followed which entails the following:

1. The valuations must be made available for public information for at least 45 calendar days before the City Council can adopt the change. LAGERS indicates most employers utilize official meeting minutes to satisfy this requirement.
2. After the 45-day public information period, the City Council may adopt an ordinance or resolution to adopt the change in benefits calculation. The effective date of the change will be the first of some future month chosen by the City Council.
3. A signed certified copy of the ordinance or resolution must be received at the LAGERS office before the effective date and within ten (10) days of the election to adopt the change.

The request is to do the first reading of the ordinance at the Finance and Budget Committee meeting, then the second reading and adoption following the 45 day posting of the cost report for public review.

Key Issues:

- During 2023 City Staff initiated an Attraction, Satisfaction and Retention (ASR) effort including multiple teams of employees to assess recommendations to improve the work environment and attraction, satisfaction and retention of employees
- As a result of this ASR effort a number of items were identified as high priority for employees
- One of the top fifteen priorities of the ASR teams was to change the LAGERS final average salary calculation from sixty (60) consecutive-months to thirty-six (36) consecutive-months
- In order to effectuate any such change the City Council would need to amend Section 2-339 of the City code in accordance with the process outlined by LAGERS
- The City has worked with LAGERS to conduct an actuarial to determine the financial impact of this change, and has incorporated the financial impact within the City Manager's proposed FY25 annual budget. The financial impact and comparison to previous years is attached to this packet.

Proposed Committee Motion:

I move to recommend to City Council for approval of an Ordinance amending the Code of Ordinances Section 2-339 Determination of Final Average Salary to change the time period used for determining a member employee's final average salary from a sixty (60) consecutive-month period to a thirty-six (36) consecutive-month period with the Missouri Local Government Employees Retirement System.

Background:

The City currently participates in the Local Government Employee Retirement System (LAGERS) with the L-6 plan and a sixty (60) consecutive-month final average salary calculation to determine an employee's retirement benefit.

The City pays 100% of the contribution, there is no cost to the employee

Timeline:

The change will become effective on a future month following the 45 day posting period of the public notice to change and final action by the Mayor and City Council

Mark Dunning, City Manager

Recommendation: Staff recommends approval of the ordinance

Committee Recommendation:

The Finance and Budget Committee directed staff to begin the 45-day public information period, and voted unanimously to advance the ordinance to the Mayor and Council for discussion and consideration.