



Takoma Park City Council Meeting – November 29, 2017 Agenda Item 4

Work Session

Presentation of the Police Employees' Retirement Plan Actuarial Valuation as of July 1, 2017

Recommended Council Action

Hear presentation by Bolton Partners, Inc.

Context with Key Issues

In 2001, the City of Takoma Park established a pension plan (Police Employees' Retirement Plan) for its sworn police officers. Prior to that time, police officers were covered by the State of Maryland pension plan along with other City employees, which provides for retirement after 30 years of service.

The Police Employees' Retirement Plan (the Plan) allows for full retirement after 25 years of service or at age 62 with five years of service. The earlier retirement is more typical for public safety employees and enables the City to be more competitive in attracting and retaining officers.

Bolton Partners, Inc. provides actuarial services for the Plan and prepares an annual valuation based on participant data and asset information. The July 1, 2017 valuation is setting the employer contribution for the fiscal year ending on June 30, 2019.

Thomas Lowman, FSA, will present the actuarial report. Following the presentation, he will be available to respond to questions from Council.

Council Priority

Fiscally Sustainable Government

Environmental Impact of Action

N/A

Fiscal Impact of Action

The valuation provides the recommendation for the employer contribution for FY 2019. During the budget setting process, the Council has always adhered to the recommendation and, in the past few years, provided for an additional contribution.

Racial Equity Impact of Action

A strong retirement plan is an important benefit when recruiting police officers. Since there is substantial competition for police officers of color, a weak retirement plan may make it more difficult to work towards a police staff that is reflective of the community.

Attachments and Links

- Actuarial Valuation as of July 1, 2017