



Takoma Park City Council Meeting – April 27, 2022 Agenda Item 5

Voting Session

Amendment to the Police Employees' Retirement Plan (Ch. 4.24 of the Takoma Park Code) to Create an Exception to the Eligibility Period for the Deferred Retirement Option Program

Recommended Council Action

Approve the amendment.

Context with Key Issues

The effective date of the original DROP ordinance was May 2021. The original DROP ordinance required that a participant complete enrollment forms and deliver them to the City prior to enrollment. The enrollment forms were not approved until late 2021. Members of the Police Department who intended to participate in the DROP and retire in 2024 were unable to do so because of the unanticipated delay in creating the application forms and the requirement that a participant enroll in the DROP program for 3 years. The Plan does not allow for administrative exceptions. The plan can be amended only by City Council adoption of an ordinance. The proposed amendment will have limited application. Retroactive enrollment in the DROP program applies only to participants who had 25 years of service on the DROP effective date.

At the work session on April 13th, the Council raised questions about the wording of the draft ordinance. The City Attorney prepared a revised version for Council consideration. The Council approved the ordinance at first reading on April 20th.

Council Priority

A Livable Community for All
Engaged, Responsive & Service-oriented Government

Fiscal Considerations

N/A

Racial Equity Considerations

The recommended amendment allows participants adversely affected by the administrative delays to enroll in the DROP program.

Links and Attachments

Draft Second Reading Ordinance

1 Introduced by: Councilmember Dyballa

First Reading: April 20, 2022

2 Second Reading:

3 Effective Date:

4
5 **CITY OF TAKOMA PARK, MARYLAND**

6 **ORDINANCE NO. 2022-12**

7 **AMENDING THE CITY OF TAKOMA PARK POLICE EMPLOYEES’**
8 **RETIREMENT PLAN TO CREATE AN EXCEPTION TO THE**
9 **ELIGIBILITY PERIOD AND ALLOW FOR RETROACTIVE**
10 **APPLICATION OF THE DEFERRED RETIREMENT OPTION**
11 **PROGRAM FOR CERTAIN EMPLOYEES ADVERSELY AFFECTED BY**
12 **ADMINISTRATIVE DELAYS IN IMPLEMENTING THE APPLICATION**
13 **PROCESS FOR THE PROGRAM**

14
15 **WHEREAS,** the City of Takoma Park Police Employees’ Retirement Plan (Plan) provides a
16 Deferred Retirement Option Plan (DROP) in Section 4.24.295 of the City of
17 Takoma Park Code; and

18 **WHEREAS,** delays in adopting certain enrollment forms adversely affected participants’ ability
19 to participate in the DROP program prior to planned retirement; and

20 **WHEREAS,** the City wishes to amend Section 4.24.295 to allow adversely affected participants
21 to enroll in DROP retroactively; and

22 **WHEREAS,** the Plan’s enrolled actuary has provided the City and the Retirement Plan
23 Committee with an estimate of the actuarial cost of the amendments; and

24 **WHEREAS,** the Retirement Plan Committee has approved the proposed amendments.

25 **NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF**
26 **TAKOMA PARK, MARYLAND THAT:**

27 **SECTION 1.** Title 4, Chapter 4.24 Police Employees’ Retirement Plan, of the City of Takoma
28 Park Code is hereby amended as follows:

29 **Title 4 Personnel**

30 * * *

31 **Chapter 4.24**

32 **POLICE EMPLOYEES’ RETIREMENT PLAN**

33 * * *

34 **4.24.295 Deferred Retirement Option Program**

35 * * *

36
37 B. Eligibility.

1
2 1. A participant who has completed 25 years of eligibility service as of the DROP effective
3 date shall be eligible to participate in DROP as of the DROP effective date.

4
5 2. A participant who has not completed 25 years of eligibility service as of the DROP
6 effective date shall be eligible to participate in DROP on the date the participant has
7 completed 25 years of service.

8
9 3. A participant who was otherwise eligible under Section 4.24.295(B)(1) of this Chapter, but
10 could not apply due to administrative delays in implementing the application process shall
11 be eligible to apply from June 30, 2022 through July 31, 2022.

12
13 * * *

14
15 D. Application for DROP Participation. An eligible participant who elects to participate in
16 DROP shall, ~~complete and submit to the Coordinator~~ within a reasonable time before the beginning
17 of the DROP participation period or within the one-time eligibility period established by Section
18 4.24.295(B)(3), complete and submit to the Coordinator the following:

19
20 1. A written application on a form approved by or acceptable to the Committee, stating the
21 participant's intention to participate in DROP;

22
23 2. An irrevocable election whether his or her retirement benefits shall be paid at the end of
24 the DROP participation period in either the normal form described in Section 4.24.220 or
25 one of the optional forms described in Section 4.24.330;

26
27 3. Such other information required by the Coordinator to implement the DROP selection
28 process described in subsection (C)(4) of this section; and

29
30 4. Employees submitting the application pursuant to eligibility established under Section
31 4.24.295(B)(3), shall be required to submit the following additional materials:

32
33 a. An irrevocable election to participate in DROP retroactive to the DROP effective
34 date or an irrevocable election to participate in DROP retroactive to the first day of any
35 month between the DROP effective date and the first day of the one-time exception eligibility
36 period established in Section 4.24.295(B)(3); and

37
38 b. Any such other information required by the Coordinator to process applications
39 submitted pursuant to Section 4.24.295(B)(3).

40
41 **SECTION 2.** The provisions of this Ordinance shall be effective _____, 2022.

42
43 **ADOPTED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THIS ___**
44 **DAY OF _____, 2022, BY ROLL-CALL VOTE AS FOLLOWS:**

- 1 Aye:
- 2 Nay:
- 3 Absent:
- 4 Abstain:

5

6 **Explanatory Note**

7

8 Additions to the existing language of the *Takoma Park Code* are shown by underlining.

9 Deletions to the existing language of the *Takoma Park Code* are shown by ~~strikeout~~.