

REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

Res/~~Ord~~ No.: 19447

Sponsor(s): Dan Tarwater III

Date: April 3, 2017

SUBJECT	<p>Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance</p> <p>Project/Title: <u>A Resolution authorizing the execution of an agreement with Cheiron for the furnishing of an actuarial study of the Jackson County Employees' Pension Plan, at a cost to the County not to exceed \$5,000.00.</u></p>										
<p>BUDGET INFORMATION <i>To be completed By Requesting Department and Finance</i></p>	<table border="1" data-bbox="316 562 1198 814"> <tr> <td>Amount authorized by this legislation this fiscal year:</td> <td>\$5,000</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td>\$0</td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td>\$5,000</td> </tr> <tr> <td>Amount budgeted for this item * (including transfers):</td> <td></td> </tr> <tr> <td>Source of funding (name of fund) and account code number: 001-0112-56790</td> <td>\$5,000</td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Estimated Use: \$</p> <p>Prior Year Budget (if applicable): n/a Prior Year Actual Amount Spent (if applicable): n/a</p>	Amount authorized by this legislation this fiscal year:	\$5,000	Amount previously authorized this fiscal year:	\$0	Total amount authorized after this legislative action:	\$5,000	Amount budgeted for this item * (including transfers):		Source of funding (name of fund) and account code number: 001-0112-56790	\$5,000
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PRIOR LEGISLATION	<p>Prior ordinances and (date):</p> <p>Prior resolutions and (date): Res # 19385, 2/6/2017</p>										
CONTACT INFORMATION	<p>RLA drafted by (name, title, & phone): Crissy Wooderson, Legislative Auditor x13310</p>										
REQUEST SUMMARY	<p>The Fraternal Order of Police, West Central Missouri Regional Lodge 50, has submitted a proposal to increase the benefits of members of its bargaining unit under the Jackson County Employees' Pension Plan – see attached proposal. Missouri Revised Statutes Section 105.665 requires a cost estimate of the proposed changes before the Legislature can take action; therefore the Legislature commissions the actuarial study needed to determine the costs of implementing the increase proposed by the FOP. Cheiron, Inc will provide the study at a cost not to exceed \$5,000.</p>										
CLEARANCE	<p><input type="checkbox"/> Tax Clearance Completed (Purchasing & Department) <input type="checkbox"/> Business License Verified (Purchasing & Department) <input type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)</p>										
ATTACHMENTS	<p>FOP Proposal</p>										

REVIEW	Department Director: <i>Crispy Woodessa</i>	Date: <i>3/21/2017</i>
	Finance (Budget Approval): <i>If applicable</i> <i>[Signature]</i>	Date: <i>3/27/17</i>
	Division Manager:	Date:
	County Counselor's Office:	Date:

Fiscal Information (to be verified by Budget Office in Finance Department)

- This expenditure was included in the annual budget.
- Funds for this were encumbered from the _____ Fund in _____.
- There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- Funds sufficient for this expenditure will be/were appropriated by Ordinance # _____
- Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:

- This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- This legislative action does not impact the County financially and does not require Finance/Budget approval.

Fiscal Note:


This expenditure was included in the Annual Budget.

PC# _____

Date: March 27, 2017

RES # 18447

<u>Department / Division</u>	<u>Character/Description</u>	<u>Not to Exceed</u>
Special Road & Bridge Fund - 004		
<u>0112 - Legislature as a Whole</u>	<u>56790 - Other Contractual Services</u>	<u>\$ 5,000</u>
		<u>\$ 5,000</u>


3/27/17

 Budget Office



PENSION MULTIPLIER INCREASE STUDY

To: Mr. County Executive
Frank White

From: Vice President Doug Blodgett
West Central Missouri Regional Lodge 50
Fraternal Order of Police

Mr. Executive,

This correspondence is in response to our discussion regarding increasing the pension multiplier for sworn law enforcement in Jackson County, Missouri. As we spoke of previously, this increase would provide the men and women tasked with protecting the citizens and visitors of Jackson County a well deserved means to a stable retirement. The following is an outline of this plan, which we believe would allow the change to the multiplier, while still maintaining the financial integrity and solvency of the Jackson County Pension Fund. I would request that your office, in conjunction with the members of the legislature, pass the necessary action which would allow the pension committee to conduct an actuarially study with the outlined changes. It is our solemn belief that the outcome of this study will confirm our findings that an increase from one point five (1.5) to a respectable two point five (2.5) would be easily attainable. As always please feel free to contact me with any questions, comments, or concerns, as it is our goal to ensure that through cooperation we provide our protectors with the greatest opportunity for success in their careers, and after their service to the people of Jackson County has ended.

Fraternally,
Douglas Blodgett

OBJECTIVE: Increase pension multiplier from one point five (1.5) to two point five (2.5).

PURPOSE: The members of the Jackson County Sheriff's Office have unique career requirements, in comparison to the multiple other job classifications represented in the county. While these requirements are met by the men and women of the Sheriff's Office daily, without reservation, this does not negate the physical, mental, and emotional toll paid by the deputies. Multiple studies have been conducted, specifically targeting the retired members of the law enforcement community, in an attempt to understand the alarming mortality rate recently after retirement. While different studies claim different reasons for this phenomenon, all of the studies show that the average life span of a law enforcement officer after retirement is fourteen point five percent (14.5%) to twenty-nine point three percent (29.3%) shorter than that of their civilian counterparts. *Life Expectancy in Police Officers: A Comparison with the U.S. General Population: John M. Violanti PhD: 2013* While alone, these percentages are alarming, the simplification of these percentages tell us that average life span of a law enforcement officer, after retirement, is estimated at a paltry ten (10) years.

After analysis of the research and consideration of the implications to our law enforcement professionals, it became glaringly apparent that a corrective action for this trend is necessary. It is the belief of the Lodge, that with some significant changes in vesting age, coupled with the overall age of the members of the Jackson County Sheriff's Office, a two point five (2.5) multiplier is easily attainable. The implementation of a two point five (2.5) multiplier would allow our Law Enforcement Officers the opportunity to retire at a much younger age, with a livable income, thus extending the life expectancy of these heroes. This increase in life span would allow these men and women to spend more time with the families, who have sacrificed this precious commodity for over twenty (20) years, and reward them for the dedication provided to the citizens of Jackson County.

EFFECTED POPULATION: Sworn Law Enforcement employed by Jackson County, Missouri. This would include all sworn members of the Jackson County Sheriff's Office and sworn members of the Jackson County Drug Task Force. The total number of employees included in this proposal is 103.

PROPOSED CHANGE: Increase Pension multiplier from one point five (1.5) to two point five (2.5). Eligibility for separation with full pension payments after twenty (20) years of service, or at the age of fifty five (55), which ever occurs first. Pension payment amount will be established utilizing an average of the top three (3) years of pay, in the last ten (10) years of service. A "top out", or maximum payout with regards to pension payments, shall never exceed one hundred percent (100%) of the member's salary at the time of separation.

Members employed past thirty (30) years of service, will be required to submit to, and successfully complete, an annual physical evaluation for duty readiness. This physical readiness evaluation will be created and administered by the Fraternal Order of Police, in conjunction with the Sheriff's Office. This test will be utilized to ensure that a member is physically capable of completing the tasks required of a deputy assigned to the patrol division.

PROPOSED METHOD FOR IMPLEMENTATION: Vesting of the effected population will move from five (5) years, to fifteen (15) years. The movement of vesting, in conjunction with the average current age of the effected population, will significantly reduce current pension liability, allowing for financial growth in the pension system, thus covering the increased liability at the later date.