CITY OF JOPLIN
COUNCIL AGENDA ITEM

ITEM
Council Bill 2019-535 – Approving amendments to the Employee Manual for the voluntary migration of Tier II public safety employees from the pension plan to the LAGERS retirement system

MEETING DATE
December 2, 2019

ORIGINATING DEPT
Finance

ATTACHMENTS
CB 2019-535 Ordinance; Exhibit "A" Section 3.9, Exhibit "B" Section 3.12, Exhibit "C" Section 4.9, Exhibit "D" Fringe Benefits Sections (2), (3), (9), (11), (13) and (18)

REVIEWED BY
Department Head: Leslie Haase; Human Resources Director: Dave Allgood; City Attorney: Peter Edwards; Interim City Manager: Dan Pekarek

SUMMARY
This Council Bill amends the Employee Manual for the voluntary migration of Tier II public safety employees from the pension plan to the LAGERS retirement system.

BACKGROUND
In late 2018, an internal work group began working on a recommendation to improve public safety recruiting and retention. The recommendation from the work group was as follows:

- Fund and close the pension plan to new hires
- Move new hires to the LAGERS retirement L-11 plan
- Allow Tier II employees the voluntary option to migrate to LAGERS

This plan required voter approval of a ½-cent sales tax dedicated for these purposes until the pension plan is either 120% funded or 12 years, whichever occurs first. Voters approved this tax on November 5, 2019. It is anticipated this tax will go into effect on April 1, 2020 with the first collections by the City in June.

There are many steps to implementing this plan. Currently, individual meetings are being held with each Tier II public safety employee to discuss and review their retirement plan options. Tier II employees must elect by January 31, 2020 to either remain in the pension plan or migrate to LAGERS. If a Tier II employee elects to migrate to LAGERS, under LAGERS rules the employee must be a new employee. As a result, employees making the election to migrate will voluntarily terminate their service with the City on February 28, 2020 and be rehired by the City on February 29, 2020.

Employees making this election will not forfeit any service-related benefits, such as vacation, sick leave, insurance benefits, and longevity pay. They also will not be required to serve additional probationary time. As a result, revisions to the Employee Manual are required to reflect this transition by public safety employees from the policemen's and firemen's pension plan to the LAGERS retirement system.

The Sections that are being revised are as follows:

- Amend Section 3.9 Rehire
- Amend Section 3.12 Probationary Period
- Add new Section 4.9 Prior Service Credit Benefit
- Amend Fringe Benefits Sections
    - (2) Annual Leave-Vacation
    - (3) Sick and Emergency Leave
    - (9) Group Hospital and Medical Benefits
    - (11) Retirement Programs
    - (13) Disability and Income Protection Plan
    - (18) Longevity Pay

The City's outside consultant assisting the internal work group with this plan rewrote the required sections of the Employee Manual, which was reviewed by the work group. The Personnel Board approved the revisions to the Employee Manual by a vote of 4-0-1 on November 21, 2019.

FUNDING SOURCE

This item is not applicable for this council bill.

RECOMMENDATION

Staff recommends approval of this council bill on first reading.

EXHIBIT "A"

3.9 REHIRE

When an employee resigns their employment with the City of Joplin and wishes to return to employment with the City, they are subject to the same original hire policy as all other applicants. Some pension and retirement plans may allow credit for years of prior service with the City, if certain conditions are met. However, the employee in all other matters shall be subject to the same employment status and procedures as other new hires. They are not entitled to any benefits, leave accruals, or credited years of service from the prior service time with the City, except as pursuant to applicable law. If an employee is rehired within one year of separation and the employee exceeds the minimum qualifications for the position, with the recommendation of the Department Head and the Director of Human Resources, the City Manager may approve any pay rate within the appropriate pay range not to exceed the amount attained at the time of separation.

All employees newly hired, promoted, reappointed, transferred or demoted shall serve a six months probationary period except that newly appointed public safety employees will serve a one-year probationary period. A Tier II Police or Fire employee, who elects to terminate on February 28. 2020 and be reinstated on February 29, 2020, shall have their probationary period waived upon reinstatement.

EXHIBIT "B"

3.12 PROBATIONARY PERIOD

The Probationary Period shall be an integral part of the screening process and shall be utilized for closely observing employee's work, for communicating with the employee about the work, for securing the most effective adjustment of a new, transferred, or promoted employee to the position.

1. Duration:

   a. Every person employed, re-employed, promoted, transferred to a different department, or demoted to any full-time, regular position with the City shall be required to complete a successful probationary period of at least six (6) continuous months.

   b. The probationary or qualifying period shall begin immediately upon employment to a position. The probation or qualifying time period may be extended for one (1) six (6) month period if deemed necessary by the department head.

   c. Consecutive time spent in an "acting" capacity prior to receiving an appointment to the same position and department shall be considered as time spent as a probationary employee in the position.

   d. An employee who is promoted or transferred to another department prior to completing a probationary period shall begin a new probationary period in the new position unless such a new probationary period would be shorter than the original probationary period. Any such employee shall have no grievance/appeal privileges until a probationary period is successfully completed in one classification.

   e. An employee whose position is re-classified will not be required to complete a new probationary period. An employee whose position is re-classified prior to completing a probationary period will not complete a new probationary period but shall be required to successfully complete the original probationary period.

   f. Any employee hired as a Police Officer Trainee shall begin the probationary period upon entering the Police Academy and throughout the field training process. Upon successful completion of field training and promotion to Police Officer II a new probationary period of six (6) months shall begin.

g. A change of assignment made by a department head shall not be subject to a probationary period.

h. A Tier II Police or Fire employee who elects to terminate on February 28, 2020 and reinstate on February 29, 2020 shall not be subject to a probationary period, unless the employee was in probationary status at the time of the reinstatement.

2. Removal

a. All probationary employees shall be considered part of the unclassified service as provided by Section 5.05 of the Joplin City Charter and shall have no grievance or appeal rights. At any time during the probationary period, the department head may remove an employee, if, in the department head's opinion, such employee is unable or unwilling to perform the duties of the position satisfactorily or if the employee's attitude, habits, performance or dependability do not merit continuation in the service. Prior to removal, the department head shall meet with the employee to discuss the issues noted by the department head. If, after such meeting, the department head believes that the employee does not merit continuation of service, such employee shall be removed immediately. An employee removed during the probationary or qualifying period cannot appeal such removal to the Personnel Board. Employees promoted or transferred into a position who do not successfully complete a probationary period shall be demoted into their previous or similar classification unless they are terminated.

3. Police Officer Certification

a. A probationary police officer shall not be retained in the position of full-time police officer unless the officer successfully completes the minimum certification requirements under the State of Missouri Peace Officers Standards and Training (POST) Program within one (1) year of employment.

4. Administration

a. Prior to the expiration of an employee's probationary period, the department head shall notify the Director of Human Resources in writing whether the services of the employee have been satisfactory and whether the department head desires to continue the employee in the position. A copy of such notice shall be given to the employee. Should the department head recommend the employee not be retained, the employee shall be removed from the position.

Employees who satisfactorily complete their probationary period shall be entitled to all rights and benefits applicable to such employee under the City Charter and Code, and shall be eligible for full grievance, appeal and fringe benefit privileges. Any service during the probationary period shall be credited to the employee's length of service for all purposes including but not limited to applicable pensions, longevity, vacation and other fringe benefits. Employees shall not be eligible for appeal privileges until completion of the probationary period.

b. Failure of the probationary employee's department to notify the Director of Human Resources as required shall not shorten the probationary period or prevent the department from discharging the employee or extending the employee's probationary period, but such action must occur prior to the scheduled expiration of the probationary period.

EXHIBIT "C"

4.9 PRIOR SERVICE CREDIT BENEFIT (Tier II to LAGERS migration)

In addition to any other compensation and benefits authorized by City ordinance, Fire and Police Department employees, hired after January 31, 2009 and prior to February 01, 2020 , who are active members of the City of Joplin Police and Fire Pension Plan (Tier II), and who voluntarily elect to terminate, reinstate and transition to the LAGERS L-11 retirement program are eligible to purchase all forfeited service credit, as earned as a Tier II employee if:

A) The employee elects to terminate, reinstate and transition to LAGERS between February 28 and 29, 2020; and
B) The employee becomes vested in LAGERS (normally five (5) years); and
C) The employee requests and remits to the City the written estimate to purchase the forfeited prior service as calculated by LAGERS no later than September 30, 2025, or six months following their LAGERS vesting date, whichever comes first; and
D) The employee remits 100% of the amount received from the Police and Fire Pension Plan from their return of contribution directly to LAGERS no later than September 30, 2025, or six months following their vesting date, whichever comes first, as their payment towards their purchase of all, or a portion of, their forfeited prior service credit.

If the employee elects to purchase the prior service credit as outlined above, then at the time of such purchase, the City shall remit to LAGERS, on behalf of the employee, 100% of the difference between the amount that LAGERS computes as the cost of the prior service credit and the amount that the employee received from the City of Joplin Police and Fire Pension Plan for their return of contribution upon termination as a Tier II eligible member. The City's payment is considered taxable compensation and payment by the City will be remitted to LAGERS on the employee's behalf.

If an employee elects to migrate under this section, they will be treated as having no break in or separation of service for any purpose other than pension benefit rights and eligibility.

EXHBIT "D"

FRINGE BENEFITS SECTION

2. ANNUAL LEAVE – VACATION

Vacation time is intended to benefit the employee and serve as a time of mental and physical refreshment; therefore, employees are encouraged to use their vacation time.

Vacations are determined for employees assigned to full or part time positions by length of continuous service. The following schedule will determine the number of hours earned per month, yearly, and accumulation totals. Annual leave may not be taken by new employees during the first six (6) months of their employment and shall be limited to one week during the remaining six (6) months of the year.

POLICE AND GENENRAL EMPLOYEES

LENGTH OF SERVICE	MONTHLY ACCRUALS	YEARLY ACCRUALS	DAYS ACCRUED	MAXIMUM ACCRUAL
0 - 9 years	6.67 hrs	80 hrs	10	160 hrs
9 - 14 years	10 hrs	120 hrs	15	240 hrs
Over 14 years	13.34 hrs	160 hrs	20	240 hrs

FIRE DEPARTMENT EMPLOYEES

LENGTH OF SERVICE	MONTHLY ACCRUALS	YEARLY ACCRUALS	DAYS ACCRUED	MAXIMUM ACCRUAL
0 - 9 years	10 hrs	120 hrs	5	240 hours
9 - 14 years	14 hrs	168 hrs	7	336 hours
Over 14 years	18.67 hrs	224 hrs	9.34	336 hours

Part-time employees who are employed throughout the year and work on a basis of one-half (1/2) a normal week shall receive vacation time proportioned to their average work week.

Upon separation from service for any cause, an employee shall be paid a lump sum payment for any accumulated vacation time with the final paycheck.

Vacation shall not be used to extend a date of retirement or termination date unless specifically approved by the City Manager.

Vacation leave and holiday leave may not be used for the same work shift.

Sick and Emergency Leave will not be substituted for scheduled vacation leave. The only exception will be employees who have a verifiable workers compensation injury and are under doctor's orders to remain off work. Employees who are on pre-approved vacation schedule and get injured on the job prior to the use of the vacation time to the extent that by doctor's orders they must remain off work during the period in which the vacation time was scheduled, may reschedule their annual vacation.

3. SICK AND EMERGENCY LEAVE

In all cases where applicable, leave will be subject to and designated by the City of Joplin as FMLA leave and counted against an eligible employee's FMLA leave entitlement. All situations which are eligible under the FMLA will be governed by the rules and regulations stated in section 3B (Fringe Benefits), FMLA. Only those situations which do not meet the eligibility requirements for the FMLA, will be governed by the Sick and Emergency Leave policy.

Sick leave with pay shall be granted to an employee only when the employee is unable to perform their duties due to the reason of personal sickness or injury; except an employee shall be granted sick leave for necessary medical, dental and optical examination and treatment provided that sick leave granted for such reasons shall not exceed the actual time necessary for examination or treatment.

An employee who is absent for a period of more than three (3) consecutive working days or consistently for shorter periods and requests sick leave to cover such absences may be required to furnish a doctor's certificate as a condition of granting, attesting to the fact that the employee's absence has been due to personal sickness or injury.
Employees will be allowed to use Sick Leave when there is illness in the family requiring the attendance of the employee. The employee may be required to furnish the employees immediate supervisor with a written reason of why the attendance was necessary. The list below shall be a description of the members of the family an employee will be allowed to use Sick Leave for. This list may be expanded in circumstances that would be impractical to deny the employee their attendance to the family member. The expansion of the list must be done a case by case basis and approved by the Personnel Director.

1. Spouse
2. Child
3. Parent
4. Brother/Sister (Emergency Only)

5. Father/Mother
6. Father/Mother-in-Law (Emergency Only)
7. Fiancé or Fiancée
8. Legal Guardian
9. Other persons who are dependent upon the employee for their care and maintenance

This shall include all step and half relatives for the above-mentioned family members.

Employees who use Sick Leave must notify their Supervisor prior to the beginning of each workday or as soon as possible thereafter. All regular full-time employees shall accrue sick leave at the rate of one (1) day for each month of service or major fraction thereof.

Part-time employees who are employed throughout the year and work on a basis of on half (1/2) a normal work week shall receive sick leave proportioned to their average work week.

When an employee is absent from work due to Sick or Emergency Leave, the employee's time off from work shall be charged to the employees accrued sick leave balance.

Temporary/seasonal and contract employees shall not accrue sick leave.

A seasonal/temporary employee who is retained as a regular full-time employee without a break in service shall accrue sick leave from date of temporary employment.

Sick Leave shall accrue from the date of full-time appointment or retroactive to date of employment for seasonal/temporary employees.

Unused sick leave shall be accumulated and available for an employee's future use.

On separation for the City's service, an employee shall not be entitled to receive reimbursement for accrued sick leave. A Tier II Police or Fire employee who elects to terminate on February 28, 2020 and reinstate on February 29, 2020 shall not forfeit their unused sick leave.

Any employee discovered misusing the sick leave privileges will be subject to discipline.

The minimum amount of Sick Leave to be charged shall be one (1) working hour. Sick Leave shall not be used to extend the date of retirement.

9. GROUP HOSPITAL AND MEDICAL BENEFITS

The City of Joplin will provide health benefits to full time regular employees and their dependents and part time employees and dependents who do not have a break in service and average thirty (30) hours per week through policies purchased either from a commercial insurance carrier, or through a self-funding program. Coverage begins on the

first day of the month following one (1) complete month of City employment. Individual employee premiums are paid in full by the City of Joplin. Dependent premiums will be paid monthly in advance and in full by the employee. Other health benefits may be available as described in the Flexible Benefit Plan and may be purchased by the employee. A Tier II Police or Fire employee who elects to terminate on February 28, 2020 and reinstate on February 29, 2020 will not have a break in service for purposes of Group Hospital and Medical benefits coverage and eligibility.

11. RETIREMENT PROGRAMS

A. Missouri Local Government Employees Retirement Systems (LAGERS) The City of Joplin participates in the LAGERS pension system and employee participation is mandatory for the following employees:

General Employees, who are not part-time/temporary working less than 1500 hours annually, will be enrolled in the LAGERS L-6 pension plan.

Sworn Police Employees and Uniformed Fire Employees hired on or after February 1, 2020, who are not part-time/temporary working less than 1500 hours annually, will be enrolled in the LAGERS L-11 pension plan.

Eligibility begins on the first date of employment. Additional information, including the plan provisions, can be reviewed at www.molagers.org

B. CITY OF JOPLIN SWORN POLICE OFFICERS AND FIREFIGHTERS PENSION PLAN

This plan is mandatory for all sworn Tier I Police Officers and Firefighters of the Joplin Police and Fire Departments and Tier II Police Officers and Firefighters of the Joplin Police and Fire Departments who elect not to transition to LAGERS on February 29, 2020. This plan was frozen to new hires effective February 01, 2020. Eligibility begins on the first day of employment. Additional information regarding the plan and the plan provisions are available on the City's intranet.

13. DISABILITY AND INCOME PROTECTION PLANS

A. LAGERS

LAGERS provides a non-duty and duty disability benefit for eligible employees. LAGERS also provides a duty death benefit. Eligibility and plan provisions can be reviewed at www.molagers.org

B. POLICE AND FIRE PENSION PLAN

The Police and Fire Pension Plan provides a non-duty and duty disability benefit for eligible employees. The Police and Fire Pension Plan also provides a non-duty and duty death benefit. Eligibility and plan provisions can be reviewed on the City's intranet.

C. LONG TERM DISABILITY PLAN

The City of Joplin provides a long-term disability benefit for all employees eligible for LAGERS. The Police and Fire Pension Plan also provides a long-term disability benefit for all employees covered by the Pension Plan. Details regarding plan benefits, eligibility, and other plan provisions can be found on the City's intranet.

18. LONGEVITY PAY

Longevity pay shall be for full-time employees based exclusively on years of unbroken continuous service. Continuous service shall be defined as uninterrupted period of service with the City that is not marked by resignation, dismissal, reduction of work force, unauthorized or unexcused absenteeism, or similar circumstances. A Tier II Police or Fire employee who elects to terminate on February 28, 2020 and reinstate on February 29, 2020 will not have a break in service for purposes of Longevity Pay.

Compensation for the number of years of service shall commence from the date of employment of the last unbroken period of employment for the number of years serviced set forth as follows:

1. Employees with an annual base salary excluding longevity of less than $30,000:

After 5 years through 10 years	$ 300 per year
After 10 years through 15 years	$ 600 per year
After 15 years through 20 years	$ 900 per year
After 20 years through 25 years	$1,200 per year
After 25 years through 30 years	$1,500 per year
After 30 years through 35 years	$1,800 per year
Each 5 year period thereafter, an additional	$ 300 per year

2. Employees with an annual base salary excluding longevity of $30,000 or greater:

After 5 years through 10 years	1% of annual salary
After 10 years through 15 years	2% of annual salary
After 15 years through 20 years	3% of annual salary
After 20 years through 25 years	4% of annual salary
After 25 years through 30 years	5% of annual salary
After 30 years through 35 years	6% of annual salary
Each 5 year period thereafter, an additional	1% of annual salary

COUNCIL BILL NO. 2019-535 ORDINANCE NO.

AN ORDINANCE amending the City of Joplin Employee Manual, Policy Section 3.9 Rehire, Section 3.12 Probationary Period, Section 4.9 Prior Service Credit Benefit and Fringe Benefits Sections (2), (3), (9), (11), (13) and (18).

WHEREAS, the voters of the City of Joplin approved a ½-cent sales tax dedicated to close the pension plan to new hires and transition public safety employees to LAGERS; and,

WHEREAS, Tier II public safety employees currently under the policemen's and firemen's pension plan have the voluntary option to migrate to LAGERS on February 29, 2020; and,

WHEREAS, LAGERS requires said employees to be new hires, which requires Tier II employees to terminate service and then be reinstated by the City of Joplin without forfeiting any service related benefits; and,

WHEREAS, the Employee Manual requires revisions to address this migration from the pension plan to LAGERS; and,

WHEREAS, the Personnel Board has reviewed and approved the changes to Section 3.9, 3.12, 4.9 and the Fringe Benefits Sections; and,

WHEREAS, the City Manager has reviewed the revisions to the Policies and has recommended these changes to the Council as stated; and,

WHEREAS, the City Council desires to adopt the needed changes to the Employee Manual for those Tier II employees electing to voluntarily migrate to LAGERS.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows:

Section 1. That the City of Joplin Employee Manual, Rules and Regulations, Section 3.9, Rehire, attached hereto as "Exhibit A", be amended to include the changes required for the migration of Tier II public safety employees to the LAGERS retirement system.

Section 2. That the City of Joplin Employee Manual, Rules and Regulations, Section 3.12, Probationary Period, attached hereto as "Exhibit B", be amended to include the changes required for the migration of Tier II public safety employees to the LAGERS retirement system.

Section 3. That the City of Joplin Employee Manual, Rules and Regulations, Section 4.9, Prior Service Credit Benefit, attached hereto as "Exhibit C", be added to include the changes required for the migration of Tier II public safety employees to the LAGERS retirement system.

Section 4. That the City of Joplin Employee Manual, Rules and Regulations, Fringe Benefits Sections (2) Annual Leave-Vacation, (3) Sick and Emergency Leave, (9) Group Hospital and Medical Benefits, (11) Retirement Programs, (13) Disability and Income Protection Plan, and

(18) Longevity Pay, attached hereto as "Exhibit D", be amended to include the changes required for the migration of Tier II public safety employees to the LAGERS retirement system.

PASSED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, this _____ day

of _____, 2019.

_____
Gary L. Shaw, Mayor

ATTEST:

_____
Barbara J. Gollhofer, City Clerk

APPROVED AS TO FORM:

_____
Peter C. Edwards, City Attorney