

**OFFICE OF THE CITY MANAGER
LITTLE ROCK, ARKANSAS**

**BOARD OF DIRECTORS COMMUNICATION
DECEMBER 18, 2018 AGENDA**

Subject:	Action Required:	Approved By:
<p>An ordinance to establish the City Defined Benefit Retirement Plan as the comparable retirement benefit for a person who holds the Office of Mayor</p>	<p style="text-align: center;">√ Ordinance Resolution</p>	<p style="text-align: center;">Bruce T. Moore City Manager</p>
SYNOPSIS	<p>To establish that the retirement program for the Mayor will be the 2014 Defined Benefit Plan.</p>	
FISCAL IMPACT	<p>Costs involved with the 2014 Defined Benefit Plan including contributions for the Mayor; administrative costs that may be a part of the annual expense of the plan.</p>	
RECOMMENDATION	<p>Approval of the ordinance.</p>	
BACKGROUND	<p>The requirement to provide a Retirement Plan for the Mayor's position was approved at the 2007 election which modified the authority of the Mayor.</p> <p>In 2007, the Board referred an ordinance to the electorate that would increase the authority of the Mayor in a City Manager Form of Government. The statutory basis for this proposed ordinance included a provision that a Mayor would receive a salary and benefits comparable to the highest paid Municipal Official. The City has used the City Manager as the highest paid Municipal Official.</p>	

**BACKGROUND
CONTINUED**

Initially, a Private Retirement Plan was established and has received contributions from Mayor Stodola and the City. However, in 2014, the City adopted a new Defined Benefits Retirement Plan for the City. After consultations with actuaries and pension attorneys, it has been determined that a comparable Retirement Plan for the Mayor would be more easily administered if it was a part of the 2014 Plan. This ordinance declares that will be the situation in the future, and also permits the current Mayor to participate.

There is a State Statute which mandates that a Mayor with a certain period of service as mayor receives a one-half salary benefit as an Annual Retirement Benefit. This Statute also allows for a Cost of Living Adjustment and Spousal Benefits. This ordinance includes these provisions so any Mayor would be treated the same as other City employees.