

AN ORDINANCE TO IMPLEMENT THE CITY OF WILMINGTON PENSION COMMISSION'S RECOMMENDATION REGARDING A ONE-TIME STIPEND FOR FISCAL YEAR 2020 PURSUANT TO CHAPTER 39 OF THE CITY CODE

#4668

Sponsor:

Council
Member
Freel

WHEREAS, Wilmington City Council ("City Council") has enacted City Code Section 39-6 setting forth various duties and responsibilities of the City of Wilmington Pension Commission (the "Commission"); and

WHEREAS, City Code Section 39-6 requires the Commission to annually review the City's overall financial condition and formulate recommendations regarding cost of living increases, if any, for City retirees during the calendar year; and

WHEREAS, City Code Section 39-6 further requires that the Commission's pension recommendation be implemented by City Council by ordinance when such recommendation exceeds zero dollars (\$0); and

WHEREAS, the Commission conducted its annual meeting on March 14, 2019 and made a recommendation regarding a one-time stipend for Fiscal Year 2020 detailed in a letter dated April 1, 2019 addressed to Mayor Michael S. Purzycki and all Members of City Council, which is attached hereto and incorporated by reference herein as Exhibit "A"; and

WHEREAS, the Commission affirmed its recommendation at its March 22, 2019 meeting; and

WHEREAS, Council deems it necessary and appropriate to implement the Commission's recommendation and to have such recommendation become effective as of July 1, 2019.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

SECTION 1. The following recommendation of the City of Wilmington Pension Commission is hereby implemented pursuant to City Code Section 39-6(c):

“The recommendation for FY’ 20 is a onetime stipend of \$1,000 to all uniform and nonuniform pension benefit recipients receiving an annual benefit of less than \$20,000; with disbursement of this stipend to occur in July 2019.”

SECTION 2. This Ordinance shall be effective on July 1, 2019.

First Reading June 6, 2019
Second Reading June 6, 2019
Third Reading

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ___ day of _____, 2019.

Mayor

SYNOPSIS: Pursuant to City Code Section 39-6(c), this Ordinance implements the City of Wilmington Pension Commission’s recommendation for Fiscal Year 2020 for a one-time stipend of one thousand dollars (\$1,000), in lieu of a cost of living adjustment, to all City of Wilmington uniform and nonuniform pension benefit recipients receiving an annual benefit payment of less than twenty thousand dollars (\$20,000). The disbursement of this stipend will occur in July 2019.

FISCAL IMPACT STATEMENT: There are 789 pensioners currently receiving pension benefits less than \$20,000 annually (445 nonuniform and 344 uniform pensioners). The cost of the one-time stipend of \$1,000 will be \$789,000, which will be amortized over 9 years.

W0105837

EXHIBIT A



Office of City Treasurer
Velda Jones-Potter

MEMORANDUM

To: Michael S. Purzycki, Mayor
Honorable Members of City Council

From: Velda Jones-Potter, City Treasurer

A handwritten signature in black ink, appearing to read "VJP", is written over the name "Velda Jones-Potter" in the "From:" field.

Date: April 1, 2019

Re: **Results of Pension Commission Meeting**

Please be advised that the Wilmington Pension Commission makes the following recommendations:

Cost of Living Adjustment (COLA)

- A. Pursuant to Section 39-6 of the Wilmington City Code, The Pension Commission at its March 14, 2019 meeting, by a majority of its members, 7-4, approved a motion to recommend a one-time stipend of \$1,000 to pensioners in lieu of a COLA to uniform and nonuniform pension benefit recipients of the City of Wilmington receiving a benefit payment of less than \$20,000 annually.
- B. At its meeting on March 22, 2018, The Pension Commission affirmed this recommendation by a majority of its members, unanimously, approved the motion with disbursement of the one-time stipend in July 2019.

The recommendation for FY' 20 is a onetime stipend of \$1,000 to all uniform and nonuniform pension benefit recipients receiving an annual benefit of less than \$20,000; with disbursement of this stipend to occur in July 2019.

Deferred Compensation Contribution

- A. Pursuant to Section 39-8 of the Wilmington City Code, The Pension Commission at its February 12, 2019 meeting, by a majority of its members, unanimously, approved the proposal for a no employer matching contribution to qualified participants in the City's Deferred Compensation Program.

The recommendation for FY'20 employer matching Deferred Compensation is zero dollars.

If you have any additional questions, please contact me at (302) 576-2480.

Thank you.

Cc: Pension Commission Members
Mary P. McDermott, Deputy City Treasurer
Crystal L. Colon, Pension Manager