



TOWN OF FREEPORT, MAINE

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ITEM # 134-22 POLICE
BENEVOLENT ASSOCIATION

MEMO

TO: Freeport Town Council

FROM: Peter Joseph, Town Manager

DATE: 06/16/22

RE: Law Enforcement Officer (LEO) Retirement Plan Change

In 2021 as part of the Collective Bargaining Agreement with the Freeport Police Benevolent Association, the Town Council approved a change to the retirement plan offered to the unit members. This change affected the approximately 11 members of this bargaining unit, but did not apply to the five other certified law enforcement officers that work at the Police Department that are not members of that bargaining unit. The previously offered plan (Plan 2C), through the Maine Public Employees Retirement System (MEPERS), offered a pension of 50% of an employee's annual final salary at retirement if the employee worked for 25 years in the system. The new plan (Plan 3C) offers a pension of 66% of an employee's annual final salary at retirement if the employee works for the same 25 year time period in the system. In exchange for this increase in benefit coverage, both the employer and the employee are both required to contribute an additional premium of approximately 2% of the employee's annual salary per year. The requested plan change in 2021 was supported by management because Freeport was shown to be one of the only municipalities in our area who were offering the 2C plan to their law enforcement officers instead of the more common 3C plan, and this was felt to be a significant deterrent when recruiting new officers in an extremely tight labor market. The remaining law enforcement officers (including the Marine Resource Officer, Sergeants, Lieutenant, and Chief) who were not unit members were not included in this change in 2021.

Earlier this year in a meeting with some of the law enforcement officers who were not covered by this change last year, concerns were raised regarding the equity of this change, concerns that the current lower plan level would serve as a financial disincentive for officers to seek internal promotional opportunities in the future, and concerns that this lower plan level would affect the Town's ability to recruit supervisors externally in the continuing tight labor market. Management agrees with these concerns and is proposing that the Town approve moving these five employees from plan 2C to plan 3C. This change requires approval from the legislative body of the Town, in this case the Town Council. The total aggregate cost per year to the Town would be approximately \$7,500. The employees would also be required to contribute a similar additional amount per year in total.