



# City of Columbus

Office of City Clerk  
90 West Broad Street  
Columbus OH 43215-9015  
columbuscitycouncil.org

## Legislation Text

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**File #:** 1501-2010, **Version:** 1

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### **Background**

This ordinance establishes the funding arrangements necessary to allow for the pay out of sick and vacation balances to police officers and fire fighters retiring as part of the deferred retirement option plan (DROP) offered by the Ohio Police and Fire Pension Fund. DROP is an optional benefit provided by the Ohio Police and Fire Pension Fund that provided eligible police officers and firefighters an economic incentive to delay retirement for three to eight years. 2011 marks the first year that some of the enrollees must retire under the rules of the program. It is anticipated that majority of the retirements under the DROP program will occur 2011; however the belief is that some DROP participants will separate from city service in the last quarter of 2010.

This ordinance appropriates \$9 million in the Safety Staffing Contingency Fund from which the termination pay for police officers and fire fighters that are participating in DROP will be expensed. The estimated total obligation for DROP is \$9 million, with payments occurring in both 2010 and 2011. Funds expended from the Safety Staffing Contingency Fund for this purpose will subsequently be reimbursed from the Special Income Tax fund.

### **FISCAL IMPACT:**

Funds are available in the Special Income Tax fund to transfer to the Safety Staffing Contingency Fund in an amount not to exceed \$9,000,000.00 for both 2010 and 2011.

### **EMERGENCY:**

Emergency legislation is requested to expedite the reimbursement for termination pay expenditures from the special income tax fund.

To appropriate an amount not to exceed \$9,000,000.00 in the Safety Staffing Contingency Fund for the purpose of expensing termination pay costs for police officers and fire fighters associated with the deferred retirement option plan (DROP), to authorize the subsequent transfer of an amount up to \$9,000,000.00 from the Special Income Tax fund to the Safety Staffing Contingency fund, and to declare an emergency. (\$9,000,000.00)

**WHEREAS**, the City established the Safety Staffing Contingency Fund to deal with police and fire retirements resulting from the deferred retirement option plan (DROP) offered by the Ohio Police and Fire Pension Fund; and

**WHEREAS**, it is expected that a large number of retirements related to DROP will begin in the third quarter of 2010 and continue into 2011, which is the first year in which safety personnel who entered the program at its inception will be required to retire; and

**WHEREAS**, since the distribution of the pay outs in 2010 versus 2011 are unknown, the amount authorized under this ordinance shall be not greater than \$9,000,000.00; and

**WHEREAS**, the actual amount to be appropriated and expended will be determined by the City Auditor and such amount shall reflect the terminal leave and cost applicable to the officers choosing to retire in 2010.

**WHEREAS**, funds are available in the City's special income tax fund to transfer to the Safety Staffing Contingency Fund for this purpose; and

**WHEREAS**, an emergency exists in the usual daily operation of the City of Columbus in that it is immediately necessary to transfer said funds for the immediate preservation of the public health, peace, property, safety and welfare; Now, Therefore:

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That the City Auditor be authorized to appropriate and expend an amount not to exceed \$9,000,000.00 from the Safety staffing Contingency Fund, Fund 014, OL1 01.

**SECTION 2.** That the City Auditor be authorized to transfer funds from the Special Income Tax Fund, Fund 430 to the Safety staffing Contingency Fund, Fund 014 in an amount not to exceed \$9,000,000.00 to cover such expenditures.

**SECTION 3.** That the funds necessary to carry out this purpose are hereby deemed appropriated.

**SECTION 4.** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.