

Retirement Committee Meeting

December 28, 2023

The City of Fairfax Retirement Plan Administrative Committee convened at 10:06 AM on December 28, 2023, in the City Hall Work Session room 111A as an in-person/virtual meeting. Members in attendance were Rob Stalzer, City Manager, JC Martinez, (virtual) Chief Financial Officer/Chairman, David Busch, (virtual) Public Safety Alternate Representative, Natalie Hinesley, (virtual) Public Safety Primary Representative, Jamil Ahmed, Citizen Representative, also in attendance were Golie Shadmard, HR Manager-Recruitment & Benefits, and Yolanda Hernandez, HR Administrative Specialist. Absent were Joel Hendelman, Retiree Representative, Steve Moloney Retiree Alternate Representative, Councilmember So Lim, Sara Greer, HR Director, and Kim Burgess, Director of Risk Management & Safety.

JC began the meeting by presenting the two Military Buy Back Options that had been discussed at previous meetings, the Benefit Service only and the Benefit & Retirement Eligibility options. JC stated that if the committee decided to move forward with any of the options today, they would be presented for consideration to the Budget Committee as an enhancement in the FY25 budget as well as option C that was discussed in the previous retirement committee meeting, to become active July 1, 2024, if approved.

The preliminary cost estimate for the military buyback option includes public safety and general employees. The estimated cost of \$176,000, if using Benefits Service only, and \$262,995 for Benefit & Retirement Eligibility for current employees with a purchase maximum of 4 years. Ongoing yearly cost estimates are \$750 and \$29,000 respectively. Rob asked how many employees we are estimating and what the amount would be for the future JC mentioned that the number varies by employee, depending on how much they are earning and how many years they have. The estimate for current employees is 5 police, 7 fire and, potentially, 3 general employees. Future employees' estimates are 1 police, 1 fire, and 1 general. Natalie remarked that 2 of 5 police have already applied for retirement.

Rob asked if any other jurisdiction have a military buyback option and Natalie said that a survey was conducted on the following jurisdictions: Fairfax County: does not have Military buy back; Alexandria City: does not have military buyback; Town of Leesburg: does not have Military buy back; Metro: does not have military buy back; and Prince William County: does not have military buy back. None have a military buyback option through their supplemental plan, but she emphasized that they all have the 25 years retirement option versus the 30 years through VRS or their private plans.

David Busch motioned to vote for the option military buyback that allows purchase towards benefit & retirement eligibility, Natalie Seconded, the motion was approved unanimously.

JC then started the discussion of using sick leave towards early retirement, with the option of using 1 or 2 years. The cost to the city for 5 General employees hired before July 1, 2014, it would cost the city \$220,816 for 1 year, for 48 current employees, and \$246,125 for 2 years. For public safety employees it would cost the city \$630,657 for 1 year and \$687,084 for 2 years. Rob asked if a survey for sick leave was completed. Golie and Natalie mentioned that no survey was done for sick leave. Rob recommended doing one. He then proposed putting \$500,000 in reserve starting in FY25 to apply towards using sick leave for general and public employees. Natalie made the motion, Jamil seconded, the motion was approved unanimously.

The VRS 25-year retirement option versus 30-year retirement, is still pending, the information will be presented when all details are available.

Rob motioned to adjourn the meeting which was seconded by Jamil. The motion was approved unanimously.

The meeting adjourned at 10:57 am.