

Legislative Template

- **What department or bureau is this bill originating from? Where did the initiative for the bill originate?**

The Department of Finance, Finance Administration & Budget program is submitting this ordinance as the result of a MOA between the City of Allentown and the Fraternal Order of Police-Queen City Lodge No. 10 (FOP).

- **Summary and facts of the bill.**

As noted by the Fraternal Order of Police Queen City Lodge No. 10 ("FOP") language agreed on November 3, 2025, pending execution by FOP, a Deferred Retirement Option Plan ("DROP") Program may serve as an appropriate retention tool for the Police Department, and the Allentown Police Pension (Fund) Ordinance shall be amended to provide for a DROP for all Police Officers who meet eligibility requirements through December 31, 2026.

- **Purpose – Please include the following in your explanation:**

- a. **What does the bill do? What are the specific goals or tasks the bill seeks to accomplish?**

The bill amends Article II Allentown Police Pension Fund by adding a DROP provision to Section 75-53 which will serve as a retention benefit to superannuated members of the Allentown Police Department.

- b. **What are the benefits of doing this? What are the drawbacks?**

The primary benefit of a DROP program is the retention of experienced and knowledgeable officers for a set period (up to 48 months) post pension eligibility aiding in workforce planning and continuity.

While enrolled in the DROP, officers do not earn additional service credit or increases their pension benefit.

- c. **How does this bill relate to the City's vision/mission/priorities?**

It is the City's mission to abide by all labor agreements while providing a safe, clean, and healthy environment for all residents.

- **Financial Impact – Please include the following in your explanation:**

- a. **Cost (initial and ongoing)**

An actuarial study is required by ordinance for all pension benefit amendments.

- b. **Benefits (initial and ongoing)**

While enrolled in the DROP, officers do not earn additional service credit or increases their pension benefit.

- **Funding Sources – Please include the following in your explanation:**

- a. **If transferring funds, please make sure to give specific account names and numbers. If appropriating funds from a grant, please list the agency awarding the grant.**

There are no budget adjustments required by this ordinance.

- **Priority status – Are there any deadlines to be aware of?**

This ordinance has a high priority status. 13% of the department has already met superannuation. Another 8% will become eligible in 2026. The goal of the MOA is to encourage eligible officers to enroll in the DROP beginning as early as December 2025.

- **Why should Council unanimously support this bill?**

The City should honor all collective bargaining agreement benefits offered to its employees and update the corresponding City ordinances in an appropriate timeframe so as not to cause undue stress or delay to those employees applying for said benefits.