

DATE: October 2, 2012
STAFF: John Voss

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

6

SUBJECT

Second Reading of Ordinance No. 099, 2012, Amending the City Code and Adopting the First Amendment to the City of Fort Collins General Employees' Retirement Plan as Amended and Restated January 1, 2012, to Change the Make-up of the General Employees Retirement Committee.

EXECUTIVE SUMMARY

The existing structure of the General Employees' Retirement Committee (GERC) has 6 positions and must include at least 3 active employee members and only 1 retiree receiving a benefit. This Ordinance, unanimously adopted on First Reading on September 18, 2012, changes those 4 positions to be any of the following: an active employee, a former employee that is vested but not yet receiving a benefit, or a retiree receiving a benefit.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. Copy of First Reading Agenda Item Summary - September 18, 2012
(w/o attachments)

DATE: September 18, 2012
STAFF: John Voss

AGENDA ITEM SUMMARY
 FORT COLLINS CITY COUNCIL

15

SUBJECT

First Reading of Ordinance No. 099, 2012, Amending the City Code and Adopting the First Amendment to the City of Fort Collins General Employees' Retirement Plan as Amended and Restated January 1, 2012, to Change the Make-up of the General Employees Retirement Committee.

EXECUTIVE SUMMARY

The existing structure of the General Employees' Retirement Committee (GERC) has 6 positions and must include at least 3 active employee members and only 1 retiree receiving a benefit. The GERC recommends more flexibility in appointment of committee representatives by changing those 4 positions to be any of the following: an active employee, a former employee that is vested but not yet receiving a benefit, or a retiree receiving a benefit.

BACKGROUND / DISCUSSION

GERC has discussed the Committee composition and determined this amendment is necessary to guarantee the largest pool of possible participants for potential membership on the committee in the future.

The following table shows how active employees have declined from 64% to 33% of the participants since 2000.

Participant Data

	Net Change	December 31, 2011	December 31, 2000
Active Employees	(248)	155	403
Terminated Vested	22	136	114
Retired	54	171	117
TOTAL	(172)	462	634

Because of the decreased number of active employees in the General Employees Retirement Plan, it seems appropriate to change the committee composition.

The current committee structure has 6 positions: 1 standing and 5 appointees. The standing member is the Financial Director. The 5 appointees must include 3 active members, 1 retiree, and 1 that could be either an active employee or a member of the public. One of the active member positions has been vacant since July.

The recommendation is to still have 6 positions: 1 standing (the CFO), and 5 appointees. Four of the five could be filled by any of the following: active participant employee, terminated vested, or retiree receiving benefits. The fifth appointed position could be any participant as described before, or an individual who is a taxpaying elector of Fort Collins. The Ordinance also allows the Financial Officer to designate a Financial Services employee to serve on the GERC on his or her behalf.

Another recommended change is to the standing member. Recently, the Finance Director position was eliminated and replaced with the Chief Financial Officer. In addition to correcting the title, language has been added to allow the Chief Financial Officer to delegate that responsibility to an individual in Financial Services.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BOARD / COMMISSION RECOMMENDATION

At its July 12 and August 9 meetings, the General Employees' Retirement Committee discussed and voted to recommend adoption of the changes.

ATTACHMENTS

1. GERC minutes, July 12 and August 9, 2012

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ORDINANCE NO. 099, 2012
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING THE CODE OF THE CITY OF FORT COLLINS
AND ADOPTING THE FIRST AMENDMENT TO THE CITY OF FORT
COLLINS GENERAL EMPLOYEES' RETIREMENT PLAN AS AMENDED
AND RESTATED JANUARY 1, 2012, TO CHANGE THE MAKE-UP
OF THE GENERAL EMPLOYEES RETIREMENT COMMITTEE

WHEREAS, the City adopted, effective January 1, 1971, a qualified defined benefit pension plan known as the City of Fort Collins General Employees' Retirement Plan (the "Plan"), for the purpose of providing retirement benefits for certain of its employees; and

WHEREAS, the City adopted a restated Plan to incorporate all prior amendments and other changes required by law effective January 1, 2012; and

WHEREAS, the Plan was closed to new members in 1998, resulting in an ongoing decrease in the percentage of active employee members and an increase in the percentage of terminated-vested and retired members; and

WHEREAS, because of the changing make-up of the member categories participating in the Plan, the General Employees' Retirement Committee (the "Retirement Committee"), has recommended the amendment of the provisions of the City Code and the Plan to permit City Council more flexibility in appointing individuals to the Retirement Committee from the three member groups (active employee members, terminated-vested members, and retired members); and

WHEREAS, the City's Chief Financial Officer, who serves as a standing member of the Retirement Committee, has requested the flexibility to appoint a designee from within the Financial Services department, to serve in his place on the Retirement Committee; and

WHEREAS, Article XIV, Section 2 of the Plan authorizes the City Council to amend the terms of the Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS, COLORADO, as follows:

Section 1. That Section 21-87(a) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 21-87. Membership; term.

(a) The Committee shall consist of six (6) members. The Chief Financial Officer or his or her designee within Financial Services shall serve as a standing member of the Committee, and the remaining five (5) members shall be appointed by the City Council. Of the appointed members, four (4) shall be either an employee who is covered by the Retirement Plan, a terminated-vested member of the Plan, or a retired

member of the Plan who is receiving a monthly retirement benefit. The fifth appointee shall either be an employee who is covered by the Retirement Plan or an individual who is a taxpaying elector of the City.

Section 2. That Section 1 of Article XVI of the City of Fort Collins General Employees' Retirement Plan is hereby amended to read as follows:

Section 1. Appointment and Term of Retirement Committee Members. The Retirement Committee shall be composed of six (6) members. The City's Chief Financial Officer or his or her designee within Financial Services shall be a member of the Retirement Committee and shall keep all records and minutes of meetings. The other five (5) members of the Retirement Committee shall be appointed by the City Council to serve at its pleasure and for overlapping terms designated by the City Council. Of the five (5) appointed members, four (4) shall be either an employee of the City who is covered by the Plan, a terminated-vested Member of the Plan, or a retired Member of the Plan who is receiving a monthly retirement benefit. The fifth appointee shall be either an employee of the City who is covered by the Plan or a tax-paying elector of the City.

Section 3. That the adoption of the amendment of the City of Fort Collins General Employees' Retirement Plan by this Ordinance shall not prevent the amendment of said Plan by resolution in the future.

Introduced, considered favorably on first reading, and ordered published this 18th day of September, A.D. 2012, and to be presented for final passage on the 2nd day of October, A.D. 2012.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 2nd day of October, A.D. 2012.

Mayor

ATTEST:

City Clerk