

AGENDA ITEM SUMMARY

February 16, 2016

City Council

STAFF

Jerry Schiager, Police Deputy Chief

SUBJECT

First Reading of Ordinance No. 023, 2016, Appropriating Prior Year Reserves in the General Fund for the City of Fort Collins 2016 Contribution to the Employees' Retirement Health Savings Plans for Members of the Police Services Collective Bargaining Unit.

EXECUTIVE SUMMARY

The purpose of this item is to fund the City's contribution to employees' Retirement Health Savings (RHS) plans for members of the Police Services Collective Bargaining Unit. On December 1, 2015, Council approved the Collective Bargaining Agreement with Bargaining Unit members of Police Services. As part of this contract, the City agreed to make contributions to the RHS plans of Bargaining Unit members. This Ordinance transfers the money from prior year reserves to pay this cost, which is estimated to be \$225,000.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

On December 1, 2015, City Council approved the Collective Bargaining Agreement with members of the Police Services' Bargaining Unit. In accordance with Article 33 of the Agreement, the City agreed to make a contribution to the employees' RHS plans based on the employees' years of service. The applicable section of the agreement states:

Article 33: RETIREMENT HEALTH SAVINGS AND DEFERRED OMPENSATION

- A. Employees shall participate and contribute to a retirement health savings ("RHS") plan administered by ICMA-RC based on the contribution in Schedule A below.
- B. The City shall participate and contribute to an RHS plan administered by ICMA-RC on behalf of the BU members of the RHS plan based on years of service to the City and as employees of Fort Collins Police Services, based on the contribution in Schedule A below.
- C. For those employees hired prior to March 31, 1986, the City shall contribute one and forty-five hundreds of a percent (1.45%) of the employee's base salary into the RHS Plan.
- D. Employees shall have the right to invest the contributions how they wish in accordance with ICMA guidelines and according to the Plan's investment options. A payroll deduction account shall be designated whereby the contributions are deducted and deposited directly into the employee's RHS Plan on behalf of the employee in accordance with the applicable ICMA-RC guidelines.

Schedule A

| Years of Service | Percent of Contribution (<i>Employer and Employee</i>) |
|--------------------------------------|---|
| 0 - 9.99 years of service | 1.0% of base salary |
| 10 - 19.99 years of service | 1.25% of base salary |
| 20 years of service until retirement | 1.5% of base salary |

This Ordinance provides funding from prior year reserves to pay for this agreed-upon amount.

CITY FINANCIAL IMPACTS

The estimated cost of these RHS Plan contributions for Bargaining Unit members in 2016 is \$225,000.

ORDINANCE NO. 023, 2016
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES IN THE GENERAL FUND FOR
THE CITY OF FORT COLLINS 2016 CONTRIBUTION TO THE EMPLOYEES'
RETIREMENT HEALTH SAVINGS PLANS FOR MEMBERS OF
THE POLICE SERVICES COLLECTIVE BARGAINING UNIT

WHEREAS, on December 1, 2015, City Council adopted Resolution 2015-104 approving a collective bargaining agreement between the City and the Northern Colorado Lodge #3 of the Fraternal Order of Police (“CBA”); and

WHEREAS, one of the terms of the CBA requires the City to make contributions to the retirement health savings plans of the bargaining unit members covered by the CBA; and

WHEREAS, the estimated cost for the 2016 contribution is \$225,000; and

WHEREAS, Article V, Section 9, of the City Charter permits the City Council to make supplemental appropriation by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriation, in combination with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

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

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That there is hereby appropriated from prior year reserves in the General Fund the sum of TWO HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$225,000) for expenditure in the General Fund for the City of Fort Collins contribution to the employees' Retirement Health Savings plans for members of the Police Services as required by the CBA.

Introduced, considered favorably on first reading, and ordered published this 16th day of February, A.D. 2016, and to be presented for final passage on the 1st day of March, A.D. 2016.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 1st day of March, A.D. 2016.

Mayor

ATTEST:

City Clerk