



Legislation Details (With Text)

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Title: Resolution to Direct the City Administrator and City Attorney to Present Ordinance Amendments Changing the Retirement Benefit Package for New Non-Union Employee Hires

Sponsors: Marcia Higgins, Stephen Rapundalo, Christopher Taylor, Sabra Briere, Mike Anglin

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| 6/6/2011 | 1 | City Council | Approved | Pass |

Resolution to Direct the City Administrator and City Attorney to Present Ordinance Amendments Changing the Retirement Benefit Package for New Non-Union Employee Hires
Attached please find for Council action a resolution directing the City Administrator and City Attorney to prepare for City Council action the appropriate ordinance amendments and related plan documents to replace City-provided health care benefits in retirement for non union employees hired after July 1, 2011 with an access only style plan.

Prepared by: Nancy Niemela, Senior Assistant City Attorney

Sponsored by: Councilmembers Higgins, Rapundalo, Taylor, Briere, and Anglin

Whereas, The City continues to experience budget challenges, in part due to increasing costs of City-provided retiree health care and retiree pension costs; and

Whereas, Retiree health care costs have been increasing at a substantially higher rate than the cost of living;

Whereas, City employees are currently able to vest for pension purposes after 5 years of qualifying employment;

Whereas, Retiree pension is calculated using a Final Average Compensation which is based on the highest paid three consecutive credited years of service ;

Whereas, The number of City retirees receiving pension benefits and health care benefits is now greater than the number of active employees and will continue to increase;

Whereas, The City Council gives direction to the City Administrator regarding compensation and benefits for non union employees; and

Whereas, The City Council wishes to convey its desire to reduce future pension costs and retiree health care costs for all union and non union retirees while still providing future retirees with a

pension and the opportunity to obtain health care coverage through the City during their retirement;

RESOLVED, That City Council direct the City Administrator and City staff to prepare for City Council action the appropriate ordinance amendments and related plan documents to increase the pension vesting period from 5 years to 10 years for non union employees hired after July 1, 2011; to increase the time period which is used to calculate the Final Average Compensation for pension calculation purposes from 3 consecutive calendar years to 5 consecutive calendar years within the last 10 years of employment for non union employees hired after July 1, 2011; and to replace City-provided health care benefits in retirement for non union employees hired after July 1, 2011 with an access only style plan which would allow those retirees to obtain health care coverage through the City in their retirement;

RESOLVED, That the City strive to introduce and implement the same pension changes for all employees hired after July 1, 2011; and

RESOLVED, That the City strive to replace City-provided health care benefits in retirement for all new employees hired after July 1, 2011 with an access only style plan which would allow those retirees to obtain health care coverage through the City in their retirement.

Sponsored by: Councilmembers Higgins, Rapundalo, Taylor, Briere and Anglin