



Legislation Details (With Text)

File #: ID17-300 **Version:** 1 **Name:**
Type: Action Item **Status:** Second Reading
File created: 2/22/2017 **In control:** City Council
On agenda: 3/9/2017 **Final action:** 3/9/2017
Title: BILL - (For Introduction) - Amending subsection (f) of Section 3-402 and adding Section 3-427 to Article 4 of Chapter 3 of the Fresno Municipal Code (FMC), of Tier 2 of the Fire and Police Retirement System to allow the election to redeposit retirement contributions upon reemployment with the City
Sponsors: Personnel Services Department
Indexes:
Code sections:
Attachments: 1. Proposed Ordinance Amendment - Tier 2 Fire and Police Retirement System.v2.pdf

Date	Ver.	Action By	Action	Result
3/9/2017	1	City Council	introduced and laid over	Pass

REPORT TO THE CITY COUNCIL

March 9, 2017

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SUBJECT

BILL - (For Introduction) - Amending subsection (f) of Section 3-402 and adding Section 3-427 to Article 4 of Chapter 3 of the Fresno Municipal Code (FMC), of Tier 2 of the Fire and Police Retirement System to allow the election to redeposit retirement contributions upon reemployment with the City

RECOMMENDATION

It is recommended that Council introduce the attached ordinance amending subsection (f) of Section 3-402 and adding Section 3-427 to Article 4 of Chapter 3 of the Fresno Municipal Code (FMC) of Tier 2 of the Fire and Police Retirement System to allow the election to redeposit retirement contributions upon reemployment with the City.

EXECUTIVE SUMMARY

The ordinance will allow safety employees in Tier 2, who leave the City and then return, to make an election on whether or not to redeposit retirement contributions which were withdrawn. Currently, the only option is to return those contributions. The process is similar to that provided for the City of Fresno Employees Retirement System in Section 3-534(b) of the FMC.

BACKGROUND

Currently, provisions in Article 4 of the FMC - Second Tier of the Fire and Police Retirement System refer to FMC Section 3-327 in regard to Refund of Contributions. Section 3-327 allows safety employees in Tier 1 to make an election to either refund contributions, or go to Tier 2. The effect of this is that employees in Tier 2 who leave the City, withdraw contributions, and return upon reemployment, must redeposit contributions that were withdrawn. This creates a potential impediment to the return of former employees.

In contrast, Section 3-534(b) of the FMC allows employees in the City of Fresno Employees Retirement System who leave the City, withdraw contributions, and return upon reemployment, an opportunity to elect to deposit withdrawn contributions or not, and re-enter the system as a new member without credit for any service.

The Fresno Police Officers Association (FPOA) asked the City to consider providing an option that would allow employees in Tier 2 the opportunity to elect to become new members of the system or repay their contributions into the system with interest, as allowed in the Employees Retirement System.

After consultation with Retirement and City Attorney staff, the City provided notice to the affected bargaining units regarding the modification of Article 4 of the FMC. The City has concluded its meet and confer obligation, and the affected bargaining units concurred with the changes that are being presented to Council for approval. In addition, the Fire and Police Retirement System Board has considered and approved the proposed ordinance on February 8, 2017 and the City Attorney's Office has approved the ordinance as to form.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378 this item does not qualify as a "project" as defined by CEQA.

LOCAL PREFERENCE

Local preference was not implemented because this item is not an award of a construction or services contract.

FISCAL IMPACT

The affected departments will continue to make their normal contributions to the retirement system as budgeted. The actuarial impact to the Fire and Police Retirement System will depend on the election of the employee to either redeposit their contributions plus interest or enroll as a new member, and was determined to be negligible to the Retirement System per the Actuary.

Attachments:
Ordinance