



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of 12/09/2014  
Action Item for the City Council Meeting of 12/16/2014

**DATE:** November 13, 2014  
**TO:** Ronald L. Olson, City Manager  
**FROM:** Yasmine Chapman, Director of Human Resources  
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Continuing Texas Municipal Retirement System (TMRS) Updated Service Credits for Current Participants and Increases for Prior and Current Annuities.

### **CAPTION:**

**Ordinance authorizing and allowing, under the Act governing the Texas Municipal Retirement System, "Updated Service Credits" in said system for service performed by qualifying members of such system who presently are members of the City of Corpus Christi; providing for increased prior and current service annuities for retirees and beneficiaries of deceased retirees of the City; establishing an effective date for such actions; and providing for severance.**

### **PURPOSE:**

The purpose of this ordinance is to provide "Updated Service Credits" and "Increased Prior and Current Service Annuities" in TMRS. Updated Service Credit (USC) – Is a provision adopted by City ordinance that may increase the value of employee retirement benefits by accounting for increases in salary later in the employee's career. Annuity Increase, or Cost of Living Adjustment (COLA) – Is provided as an increase in annuities for retirees. COLAs are a plan enhancement to help retirees with increases in their cost of living after retirement. These provisions also adhere to the negotiation of "Updated Service Credits" and "Increased Prior and Current Service Annuities" in the collective bargaining agreement with Corpus Christi Police Officer's Association (CCPOA), Government Accounting Standards, as interpreted by the City's external auditor, dictating that the City must record the liability as if annually repeating for the term of the contract (which ends on July 31, 2015).

### **BACKGROUND AND FINDINGS:**

On July 27, 2004, for an effective date of January 1, 2005, Council adopted "Updated Service Credits" and "Increased Prior and Current Service Annuities" on an annual basis (annually repeating, not requiring approval by Council each year). Ordinance 025865

On December 7, 2010 Council approved the contract with the Corpus Christi Police Officer's Association (CCPOA), which included provisions for "Updated Service Credits" and "Increased Prior and Current Service Annuities" on an "Ad Hoc" basis.

On December 14, 2010 Council approved Ordinance 028892 authorizing "Updated Service Credits" and

“Increased Prior and Current Service Annuities” for 2011.

On November 15, 2011, Council approved Ordinance 029290 authorizing “Updated Service Credits” and “Increased Prior and Current Service Annuities” for 2012.

On December 11, 2012, Council approved Ordinance 029692 authorizing “Updated Service Credits” and “Increased Prior and Current Service Annuities” for 2013.

On December 17, 2013, Council approved Ordinance authorizing “Updated Service Credits” and “Increased Prior and Current Service Annuities” for 2014.

**ALTERNATIVES:**

None. The City is restricted by the terms of the collective bargaining agreement with the CCPOA and provisions of the state statute governing TMRS. State statute extends to services performed by qualifying members of such system who presently are members of the City of Corpus Christi; providing for increased prior and current service annuities for retirees and beneficiaries of deceased retirees of the City. This is a five year contract which is effective from August 1, 2010 through July 31, 2015.

**OTHER CONSIDERATIONS:**

For calendar year 2015, the rate calculated by TMRS under the Ad Hoc provision is 10.54% however the City budgeted and was contributing 15.46% since January 2014 thru September 2014. In October 2014, the City increased its contribution to 16.46% to address the liability issue. The City will also increase this amount by 1% ever year to get back to an annual repeating contribution.

With the adoption of these benefits, the City’s full contribution rate for 2015 will be 10.54%.

**CONFORMITY TO CITY POLICY:**

Adoption of this ordinance is in accordance with the Agreement negotiated with the Corpus Christi Police Officers’ Association.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency, Ordinance - Two readings (12/09/14, 12/16/14)

**DEPARTMENTAL CLEARANCES:**

None

**FINANCIAL IMPACT:**

Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2013-2014</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

**RECOMMENDATION:**

Staff recommends adoption of the Ordinance.

**LIST OF SUPPORTING DOCUMENTS:** Ordinance