



City of Las Cruces®

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 7 Ordinance/Resolution# 15-132

For Meeting of _____
(Ordinance First Reading Date)

For Meeting of January 5, 2015
(Adoption Date)

Please check box that applies to this item:

QUASI JUDICIAL LEGISLATIVE ADMINISTRATIVE

TITLE: A RESOLUTION AUTHORIZING A 18.77% PICK-UP OF PERA MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3 CONTRIBUTIONS FOR EMPLOYEES WHO'S POSITIONS ARE REPRESENTED BY A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND THE LAS CRUCES POLICE OFFICERS' ASSOCIATION.

PURPOSE(S) OF ACTION:

Approve the pick-up of retirement contributions for civilian police union members.

COUNCIL DISTRICT: N/A		
<u>Drafter/Staff Contact:</u> Andre Moquin	<u>Department/Section:</u> Human Resources	<u>Phone:</u> 528-3401
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

Eligible City employees are covered by the New Mexico Public Employees Retirement Act ("PERA") Municipal Police Plan 3. Those employees who are PERA members under the Municipal Police Coverage Plan 3 contribute 14.65 percent of their salaries to PERA. The City contributes 9.55 percent of the salary of each member that it employs and who is covered under PERA Municipal Police Plan 3.

NMSA 1978, § 10-11-15 (1999) which took effect July 1, 1999, allows municipal affiliated public employers such as the City to contribute up to 75 percent of employee PERA contributions. This legislative amendment gives municipalities the flexibility to decide how much, if any, of up to 75 percent of the employee's PERA contributions they desire to contribute. As part of the collective bargaining agreement between the parties approved by Council in January of 2015, the City wishes to pick up 2.75 percent of represented employee contribution replacement effective with the first full pay period after January 5, 2015; subject to approval which is required by the PERA Board. Instead of contributing 14.65 percent of their salaries, the affected employees will only be contributing 11.90 percent, and the City will contribute the additional 2.75 percent so that the City's contribution will total 12.30 percent. This pick-up represents 18.77 percent of total member

(Continue on additional sheets as required)

contributions. Pursuant to NMSA 1978, § 10-11-5, this City Council resolution is irrevocable although the City may increase its contributions by subsequent resolutions.

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A", Section 15. Compensation.
3. Attachment "A", Summary Table.

SOURCE OF FUNDING:

Is this action already budgeted?	Yes	<input checked="" type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from:
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/>	Proposed funding is from fund balance in the ____ Fund.
Does this action create any revenue? N/A	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: in the amount of \$ ____ for FY__.
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

Funding for this resolution was approved as part of the FY15 Budget and will affect approximately five (5) months of the current fiscal year and come from various accounts.

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
Various	Various	Various	Various	Various	Various

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the negotiated changes to the Police Union agreement.
2. Vote "No"; this will require the parties resume negotiations.

REFERENCE INFORMATION:

N/A

RESOLUTION NO. 15-132**A RESOLUTION AUTHORIZING A 18.77% PICK-UP OF PERA MUNICIPAL GENERAL MEMBER COVERAGE PLAN 3 CONTRIBUTIONS FOR EMPLOYEES WHO'S POSITIONS ARE REPRESENTED BY A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND THE LAS CRUCES POLICE OFFICERS' ASSOCIATION.**

The City Council is informed that:

WHEREAS, the Public Employees Retirement Act, NMSA 1978, Section 10-11-5 (2003), authorizes affiliated public employers to be responsible for making contributions of up to 75 percent of its employees' member contributions to the Public Employees Retirement Association (PERA) under certain conditions; and

WHEREAS, the governing body of the City of Las Cruces desires to pick-up a portion of contributions for employees whose positions are represented by a collective bargaining agreement between the City of Las Cruces and the Las Cruces Police Officers' Association and who are PERA members under Municipal General Member Coverage Plan 3; and

WHEREAS, the City of Las Cruces governing board desires to pick-up 18.77 percent of the employee contributions for the City of Las Cruces employees covered under PERA Municipal General Member Coverage Plan 3. The employee contribution percentage would then be 11.90 percent of salary and the employer contribution would be 12.30 percent of the employees' salary under this resolution; and

WHEREAS, pursuant to NMSA 1978, Section 10-11-5, this resolution is irrevocable and shall apply to all employees whose positions are represented by a collective bargaining agreement and who are PERA members under Municipal General Member Coverage Plan 3; and

WHEREAS, pick-up of employees' member contributions is irrevocable.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces that:

(I)

THAT the City of Las Cruces governing board, pursuant to NMSA 1978, Section 10-11-5, hereby elects to be responsible for making contributions of 18.77 percent of the employee contributions for the City of Las Cruces Municipal employees represented by a collective bargaining agreement between the City of Las Cruces and the Las Cruces Police Officers' Association covered under PERA Municipal General Member Coverage Plan 3.

(II)

THAT the employee contribution for the City of Las Cruces Municipal employees represented by a collective bargaining agreement between the City of Las Cruces and the Las Cruces Police Officers' Association covered under PERA Municipal Police Member Coverage Plan 3 will be 11.90 percent of salary and the employer contribution will be 12.30 percent of the employees' salary as outlined in Exhibit "A", attached hereto.

(III)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____ 20____.

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

VOTE:

Mayor Miyagishima: _____

Councillor Silva: _____

Councillor Smith: _____

Councillor Pedroza: _____

Councillor Small: _____

Councillor Sorg: _____

Councillor Levatino: _____

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:



City Attorney

Management

95.1
Union

Exhibit "A"

12-12-14
Date

SECTION 15 – COMPENSATION:

- A. Effective on the first full pay period after adoption of the wage re-opener by the City council and ratification by Union membership and approval by the Public Employee Retirement Association (PERA) board, the City shall pick up a portion of the employees contributions to PERA. Police Detectives, Police Officers and Senior Police Officers shall see a two and three quarter (2.75) percent PERA contribution pick up. Animal Control Officers, Code Enforcement Officers, Evidence Technicians, NCIC Coordinators, ID Technicians and Transport Officers shall see a two and three quarter (2.75) percent PERA pick up.
- B. Effective the first full pay period after the first (1st) anniversary of the implementation of the terms of the wage re-opener above and approval by the Public Employee Retirement Association (PERA) board, the City shall pick up a portion of the employees contributions to PERA. Police Detectives, Police Officers and Senior Police Officers shall see a two and three quarter (2.75) percent PERA contribution pick up. Animal Control Officers, Code Enforcement Officers, Evidence Technicians, NCIC Coordinators, ID Technicians and Transport Officers shall see a two and three quarter (2.75) percent PERA pick up.
- C. Step increases will continue in the second and third year of the contract.

Settlement proposal

This settlement proposal summarize our discussion, including the understanding that bargaining unit members shall not qualify for "birthday" leave.

12/12/2014 2:30 pm

PERA Police Municipal Plan 5

Year one	17.80%	2.75%	15.05%	15.45%
Year two	15.05%	2.75%	12.30%	18.27%
Current EE Contributions				
Proposed City Pick-Up				
New Employee Contribution				
Percentage of Pick-up				

Year one	18.90%	2.75%	21.65%
Year two	21.50%	2.75%	24.25%
Current City Contribution			
Proposed Pick-up			
New City Contribution			

PERA Municipal Plan 3

Year one	14.65%	2.75%	11.90%	18.77%
Year two	11.90%	2.75%	9.15%	23.11%
Current EE Contributions				
Proposed City Pick-Up				
New Employee Contribution				
Percentage of Pick-up				

Year one	9.55%	2.75%	12.30%
Year two	12.30%	2.75%	15.05%
Current City Contribution			
Proposed Pick-up			
New City Contribution			