



**City of Coral Gables
CITY COMMISSION MEETING
July 10, 2018**

ITEM TITLE:

Ordinance on Second Reading. An Ordinance Amending Chapter 46 of the Code of the City of Coral Gables, entitled “Pensions,” Amending Section 46-253, entitled “Normal Retirement Income,” to Provide the same Alternative Dispute Resolution Mechanism to Resolve Disputes About Future Cost of Living Increases to Current and Former City Employees who Retired, Entered the DROP, or Reached Eligibility for Normal Retirement after January 1, 2013 but before the February 2015 Retirement Plan Amendment, as is Provided to Members of the Certified Class in the Murhee v. City of Coral Gables case, and Providing for Severability, Repealer, Codification, and an Effective Date.

BRIEF HISTORY:

In 2013 two retired City employees filed a putative class action against the City styled as Murhee v. City of Coral Gables, Case No. 13-20731 CA (13) (Fla. 11th Cir. Ct.) where plaintiffs, on behalf of themselves and all others similarly situated, sought a 2013 and 2014 cost-of-living adjustment (“COLA”) to their retirement benefits, and clarification about what conditions will trigger a COLA in the future. The City disputed plaintiffs’ claims and denied and continues to deny liability, but decided to settle the litigation without admitting any wrongdoing and executed a Class Action Settlement Agreement dated September 18, 2017.

In accordance with the Settlement Agreement, the Court certified a class of “[a]ll persons who have been in receipt of benefits from the Coral Gables Retirement System, pursuant to Chapter 50, Article II, Coral Gables Code, for a full year preceding January 1, 2014, or their Designated Beneficiaries,” which means “any individual or estate that will receive benefits from the Coral Gables Retirement System, pursuant to Section 50-235, Coral Gables Code, upon the death of a plan participant that has been in receipt of benefits from the Coral Gables Retirement System, pursuant to Chapter 50, Article II, Coral Gables Code, for a full year preceding January 1, 2014.” The City enacted a new Coral Gables Code that superseded the prior version and renumbered Chapter 50 to Chapter 46 and Section 50-230 to Section 46-253 (Ordinance No. 2017-41).

The Court entered a Final Judgment dated February 26, 2018, which granted final approval of the Settlement Agreement, determined that 792 individuals or estates of deceased individuals identified on a Class List compose the class, and ordered the City and the class members to comply with the Settlement Agreement; and

The Settlement Agreement establishes special procedures that apply to the determination of COLAs for class members for the fiscal year ending September 30, 2017 and each year thereafter. The City agreed, in ¶ 12.1 of the Settlement Agreement, to amend the City Code to “incorporate by reference the Alternative Dispute Resolution Mechanism outlined in ¶ 8.3 of the Settlement Agreement.”

Chapter 46 was amended April 12, 2018 to include the terms of the settlement agreement as to the class. There were a number of individuals that were not part of the class identified in Murhee v. City of Coral Gables but that were retired, in DROP, or eligible for retirement (collectively referred to as “Gap Employee” or “Gap Retiree”). The City agreed to treat the Gap Employees in the same fashion as the members of the class. Therefore, it is necessary to amend Chapter 46 again, to include the Gap

Employees.

There have been no changes between first and second reading except to the effective date provision. For those employees who are not subject to a Collective Bargaining Agreement, the Ordinance will become effective upon adoption. For those employees who are subject to a Collective Bargaining Agreement, the Ordinance will become effective on the date of execution of a Memorandum of Understanding between the applicable bargaining unit/union and the City.

ATTACHMENT(S):

1. Draft Ordinance