



City of Coral Gables
CITY COMMISSION MEETING
August 28, 2018

ITEM TITLE:

Ordinance on First 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 Retroactive Cost of Living Adjustment and Alternative Dispute Resolution Mechanism to Former City Employees who Opted Out of the Class in the Murhee v. City of Coral Gables case as is provided to members of the Certified Class 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 The City enacted a new Coral Gables Code that superseded the prior version and renumbered Chapter 50 to Chapter 46 and Section 50-230 to Section 46-253 (Ordinance No. 2017-41).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.

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.”

On July 10, 2018, at the request of one of the individuals who opted out of the Class, the City Commission voted to treat those that opted out in the same fashion as those who were part of the class and thereby affording them the same benefits as those in the class, in accordance with the Settlement Agreement. In order to do so, this Ordinance is necessary.

ATTACHMENT(S):

1. Draft Ordinance