



**City of Coral Gables
CITY COMMISSION MEETING
SEPTEMBER 28, 2010**

ITEM TITLE:

Ordinance amending Chapter 50, Article II of the Code of the City of Coral Gables, entitled "Retirement System for City Employees", implementing action taken by the City Commission to establish provisions of the 2009-2010 collective bargaining agreement between the City of Coral Gables and Teamsters, Local Union 769; Creating a definition of "average final compensation" and revising definitions of "appointed officials", "compensation", "disability", "highest three-year average", "normal retirement date" and "total earnings"; revising employee contributions; Revising normal retirement income; Revising disability benefits; Revising DROP eligibility; Revising the purchase of prior credited service; Creating a new section providing for benefits of excluded employees; Providing an effective date; and repealing all ordinances inconsistent herewith. (Passed on First Reading September 14, 2010).

DEPARTMENT HEAD RECOMMENDATION:

Approval.

BRIEF HISTORY:

This Ordinance makes the following changes to the City of Coral Gables Retirement System for those employees included in the Teamsters Local Union 769 bargaining unit:

- The benefits of all current employees will be frozen effective 9/30/10.
- Current employees will be 100% vested in their accrued benefit as of that date.
- Employee pension contributions shall be increased from 5% to 10%.
- Formula: $2.25\% \times \text{average final compensation} \times \text{years of future service}$.
- Pensionable earnings: base compensation, including shift differential and special assignments.
- Normal retirement: age 62 with 10 years service; age 65 with 6 years service; or "Rule of 80."
- Average final compensation: highest five year average.

Disability Benefits:

- Line of Duty: 42% of average final compensation; or accrued benefit, if greater.
- Non-Duty: 25% of average final compensation (with 6 years' service).
- Definition of disability: employee prevented from rendering useful and efficient service as an employee in any capacity (FRS Definition).