



**City of Coral Gables
CITY COMMISSION MEETING
September 8, 2015**

ITEM TITLE:

An Emergency Ordinance amending Chapter 50 of the "Code of the City of Coral Gables," entitled "Pensions," amending Section 50-26, Compulsory Participation; further amending Section 50-239(A), Limitations on Payment of Retirement Income, and providing for severability, repealer, codification, and an effective date.

DEPARTMENT HEAD RECOMMENDATION:

Approval.

BRIEF HISTORY:

The City of Coral Gables Retirement Plan gives appointed officials (City Manager, City Attorney, and City Clerk) as well as certain excluded employees (Assistant City Managers and Deputy City Attorneys) the option to participate in the Retirement Plan, or opt out of participation. If one of these officials opts out of the Retirement Plan, he/she may elect to participate in a defined contribution plan established by the City, to which the City may contribute a sum not to exceed the maximum allowed by law.

This ordinance would give department directors hired on or after the effective date of this ordinance, the same option of participating, or not, in the City Retirement Plan. If the newly hired department director elects not to participate in the Retirement Plan, he/she may elect to participate in a defined contribution plan established by the City to which the City may contribute a sum not to exceed the maximum allowed by law. The City Manager would determine the City contribution amount for the department directors. The City Attorney opines under section 2-201(e)(1) and (8) of the City Code, following consultation with outside counsel, that an amendment to the pension code is required to allow the Department Director to participate in a defined contribution plan, instead of the defined benefit plan.

In the event that the City establishes a comparable retirement plan through the Florida Retirement System (FRS) with a supplemental 401(a) or 457(b) component, then this plan for department directors will be converted to that FRS/supplemental plan. Additionally, the City is evaluating opportunities to allow existing directors to opt into a defined contribution plan which would be allowable under Internal Revenue Service regulations.

The City Attorney also opines under section 2-201(e)(1) and (8) of the City Code, following consultation with outside counsel, that section 50-239 of the pension code, along with the definitions of "employee" and "normal retirement" in the pension code, presently implies that the City may hire a full-time employee as a part-time employee following retirement, with the part-time employee continuing to be eligible to receive his or her retirement benefit. However, it would be preferable for the pension code to be amended to state this expressly and to provide for a 30-day break in service. Therefore, this ordinance includes language to expressly state that a City employee is able to retire from full-time employment with the City and commence part-time employment with the City after a 30-day break in service, and receive monthly retirement income during such part-time employment.

As the City intends to hire a new department director by mid-September, and the City would like the ability to hire a recently retired employee on a part-time basis soon, and because of the time sensitivity of these emergent matters, the City is requesting to enact these provisions as part of an emergency ordinance, which requires the affirmative vote of four Commissioners, pursuant to section 13 of the City Charter, along with section 166.041(3)(b) of the Florida Statutes.

APPROVED BY:

Department Director	City Attorney	City Manager

ATTACHMENT(S):

1. Emergency Ordinance