

CITY OF CORAL GABLES

ORDINANCE NO. 2017-

AN ORDINANCE AMENDING CHAPTER 50, ARTICLE II OF THE CODE OF THE CITY OF CORAL GABLES, ENTITLED "RETIREMENT SYSTEM FOR CITY EMPLOYEES", IMPLEMENTING PROVISIONS OF THE 2016 – 2019 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY AND FRATERNAL ORDER OF POLICE, LODGE NO. 7; AMENDING SECTION 50-230, NORMAL RETIREMENT INCOME; AMENDING SECTION 50-246, DEFERRED RETIREMENT OPTION PLAN; REPEALING ALL ORDINANCES INCONSISTENT HERewith; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Coral Gables and Fraternal Order of Police, Lodge No. 7, recently entered into a collective bargaining agreement for a period commencing October 1, 2016 and terminating September 30, 2019 (the "Agreement"); and

WHEREAS, the collective bargaining agreement contains certain changes to the Coral Gables Retirement System ("Retirement System") for police officers; and

WHEREAS, to implement the changes to the Retirement System it is necessary to amend the Retirement System ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMISSION OF THE CITY OF CORAL GABLES:

SECTION 1. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this ordinance upon adoption hereof.

SECTION 2. A new paragraph (8) is added to Section 50-230 of the "Code of the City of Coral Gables" pertaining to "Pensions" to read as follows:

Sec. 50-230. - Normal retirement income

(a) *Amount of monthly normal retirement income.*

* * *

(8) Notwithstanding any other provision of this subsection (a), effective February 28, 2017, the monthly amount of normal retirement income payable to a police officer shall be as provided in this paragraph (8). The monthly amount of normal retirement income payable to a police officer shall equal three percent of average final compensation multiplied by the total years of credited service as of September 30, 2012, not to exceed 75 percent of average final compensation. For credited service on and after October 1,

2012, the monthly amount of normal retirement income payable to a police officer shall equal three percent of average final compensation multiplied by the first ten years of credited service, two and one-half percent of average final compensation multiplied by the years of credited service in excess of the first ten years of credited service up to the completion of twenty-four years of credited service, and up to ten percent of average final compensation for the twenty-fifth year of credited service, such that the total normal retirement income does not exceed the applicable maximum benefit provided in this subsection (8). The total normal retirement income as provided in the preceding two sentences payable to bargaining unit members at retirement in the normal form of benefit shall not to exceed the lesser of 75 percent of average final compensation or \$95,000.00; and the total normal retirement income as provided in the preceding two sentences payable to non-bargaining unit members at retirement in the normal form of benefit shall not exceed 75 percent of average final compensation. Effective September 30, 2019 the total normal retirement income payable to bargaining unit members at retirement in the normal form of benefit shall not exceed the lesser of 75 percent of average final compensation or \$96,900.00. Notwithstanding the foregoing provisions of this paragraph (8), the maximum benefit limit of \$95,000.00 shall not apply to any bargaining unit member who has reached normal retirement eligibility as of February 28, 2017 or whose normal retirement income payable in the normal form of benefit based on average final compensation and credited service as of February 28, 2017 exceeds \$95,000; provided such member's normal retirement income payable in the normal form of benefit shall not exceed 75 percent of average final compensation. The maximum benefit limits provided in this subsection (8) shall be applied to the normal form of benefit, and any optional form of benefit selected by the member shall be the actuarial equivalent of the normal form of benefit after the maximum benefit limits are applied.

* * *

SECTION 3. Section 50-246 of the "Code of the City of Coral Gables" pertaining to "Pensions" is hereby amended to read as follows:

Sec. 50-246. - Deferred retirement option plan (DROP).

(a) Eligibility.

* * *

(8) Notwithstanding any other provision of this subsection (a), effective February 28, 2017 for police officers who are participating in the DROP on that date and police officers who enter the DROP on or after February 28, 2017 and before September 30, 2019, the maximum DROP participation period shall be a fixed 84-month period commencing on the date of entry into the DROP. Effective September 30, 2019 the maximum DROP participation period for police officers who enter the DROP on or after that date shall be a fixed 60-month period commencing on the date of entry into the DROP. The retirement board, in consultation with the plan actuary, shall calculate the projected benefits of police officers who are participating in the DROP on February 28,

2017 and police officers who enter the DROP thereafter, and shall notify any police officer whose future benefits may be impacted by section 415(b) of the Internal Revenue Code, as incorporated in section 50-237 of the City Code. Any police officer who is participating in the DROP on February 28, 2017 or enters the DROP thereafter shall be able to terminate their DROP participation earlier than the maximum DROP participation period in order to reduce or eliminate the impact of section 415(b) of the Internal Revenue Code. Police officers are responsible for managing their retirement benefit options, including reducing or eliminating the impact of section 415(b) of the Internal Revenue Code by terminating DROP participation sooner than the maximum DROP period. The city and retirement board shall not be responsible for the retirement decisions of police officers.

* * *

SECTION 4. That all sections or parts of sections of the City Code of the City of Coral Gables, all ordinances or parts of ordinances and all laws of the City of Coral Gables in conflict herewith, shall be and they are hereby repealed insofar as there is a conflict or inconsistency.

SECTION 5. It is the intention of the Commission of the City of Coral Gables, Florida, that the provisions of this Ordinance shall become and be made a part of the City of Coral Gables Code of Ordinances; and that the sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section", "article", or such other appropriate word or phrase in order to accomplish such intentions.

SECTION 6. This Ordinance shall become effective upon adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, A.D., 2017.

(Moved:

APPROVED:

JIM CASON
MAYOR

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

ATTEST:

WALTER J. FOEMAN
CITY CLERK

CRAIG E. LEEN
CITY ATTORNEY

