

CITY OF CORAL GABLES, FLORIDA

ORDINANCE NO. 2024-39

AN ORDINANCE OF THE CITY OF CORAL GABLES, FLORIDA, AMENDING CHAPTER 46 OF THE "CODE OF THE CITY OF CORAL GABLES," ENTITLED "PENSIONS," IMPLEMENTING PROVISIONS OF THE 2024-2027 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY AND TEAMSTERS LOCAL UNION 769, AMENDING SECTION 46-25, DEFINITIONS; SECTION 46-26, COMPULSORY PARTICIPATION; SECTION 46-27, PURCHASE OF CREDITED SERVICE; SECTION 46-29, CITY CONTRIBUTIONS; SECTION 46-34, EMPLOYEE CONTRIBUTIONS; SECTION 46-253, NORMAL RETIREMENT INCOME; AND SECTION 46-269 DEFERRED RETIREMENT OPTION PLAN (DROP); AND PROVIDING FOR SEVERABILITY, REPEALER, CODIFICATION, AND AN EFFECTIVE DATE.

WHEREAS, the City recently entered into a collective bargaining agreement with the Teamsters, Local Union 769, for a three-year term (October 1, 2024 through September 30, 2027) (the "Agreement"); and

WHEREAS, the collective bargaining agreement contains certain changes to the City of Coral Gables Retirement System ("Retirement System"); and

WHEREAS, to implement the Retirement System changes for Teamsters bargaining unit employees and conforming changes for other general employees, and to make an additional change for the normal retirement dates for appointed officials, an ordinance amending the City Code provisions governing the Retirement System is required;

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

SECTION 1. That 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. Section 46-25 of the "Code of the City of Coral Gables" pertaining to "Pensions" is hereby amended to read as follows¹ :

¹ Words and figures underscoring are additions to existing law; words and figures ~~struck through~~ are deletions.

Normal retirement date means:

* * *

(6) Notwithstanding the preceding definition of normal retirement date, effective October 22, 2024, the normal retirement date for appointed officials appointed on or after October 1, 2010, shall be the earliest of:

- a. Age 65 with six years of credited service;
- b. The date on which the sum of the appointed official's years of credited service and age equal 80;
- c. Age 62 with ten years of credited service; or
- d. The date on which the appointed official attains a cumulative benefit multiplier of 75%, regardless of the appointed official's average final compensation at the time of retirement.

SECTION 3. Section 46-26 of the "Code of the City of Coral Gables" pertaining to "Pensions" is hereby amended to read as follows :

Sec. 46-26. - Compulsory participation.

* * *

(e) Further provided, however, it shall not be mandatory for any employee other than a police officer or firefighter, hired on or after December 8, 2015, to participate in the system, but such employee shall have the option of participation in the system or in another retirement plan, and must exercise that option within 30 days following their date of hire. In the event that the employee elects to participate in any retirement plan other than the system, the city may contribute a sum not to exceed the maximum limit provided by law to that plan. The preceding two sentences shall apply to excluded employees immediately upon the effective date of the ordinance from which this section is derived, and shall apply to participants in the bargaining unit represented by Teamsters Local 769 upon agreement of the bargaining representative.

* * *

(h) Notwithstanding the provisions of subsection (e) above, any employee other than a police officer or firefighter, hired on or after December 8, 2015, who elected to participate in the City's 401(a) defined contribution plan shall have a one-time option to participate in this system by submitting a written election to do so between November 1, 2024 and February 28, 2025. Such election shall take effect on the first day of the month immediately following the date of submission, and shall be irrevocable. On and after the date the election takes effect, the employee shall be a participant in this retirement system

and all employer and employee contributions to the 401(a) defined contribution plan shall cease. An employee who elects to participate in this system in accordance with this subsection (h) shall be eligible to purchase credited service under this system for all or a portion of their period of full-time city employment prior to participation in this system, pursuant to section 46-27(g). An employee who is eligible to elect to participate in this system in accordance with this subsection (h), and does not submit a timely election to participate in this system, shall continue participating in a retirement plan other than this system for as long as they are employed by the city.

SECTION 4. Section 46-27 of the "Code of the City of Coral Gables" pertaining to "Pensions" is hereby amended to read as follows:

Sec. 46-27. - Purchase of credited service.

* * *

(b) Purchase of credited service for periods of service with other public employers. The definitions of section 46-25 to the contrary notwithstanding, participants of the system shall have the option to receive credited service for all purposes of this system, except section 46-256(c) and (e), for periods of service with other public employers under the following conditions and subject to any restrictions established by applicable law:

(1) A participant may purchase other employer service time for purposes of certain terms defined in sections 46-25, 46-253(a) and (d), 46-255(a)(2), and 46-256(a) and (b) on a day-for-day basis and up to a maximum of five years. The purchase of another public employer's service time is subject to the retirement board's receipt of proof of the employee's employment with the other public employer and participation in the other public employer's pension plan. Under no circumstances may the participant purchase more service time (on a day-for-day basis) than actually credited under the other public employer's pension plan.

(2) To be eligible to elect to receive credit for other public employer service time, a participant must be an employee of the city at the date of the election and must have a total of five years of credited service with the city immediately prior to the date of election.

(3) Each participant who desires to receive credits for any or all other public service time shall make an irrevocable election to do so and shall elect the amount of other public employer service time being purchased within 180 days following the attainment of five years of credited service under this system. Notwithstanding the preceding sentence, firefighters hired on April 18, 2011, who wish to receive

credited service for service with other public employers prior to city employment shall make an irrevocable election to do so and shall elect the amount of other public employer service time being purchased within 180 days following the attainment of seven years of credited service under this system.

(4) Notwithstanding anything to the contrary in this section (b), participants who have joined this system in accordance with Section 46-26(h) and who purchased credited service for their period of full-time employment in the city's 401(a) plan must have a total of five years credited service for which the full actuarial cost has been paid before purchasing credited service for periods of service with other public employers. Such election must be made within 180 days following notification from the Board that the participant has attained five years of credited service for which the full actuarial cost has been paid.

* * *

(g) Notwithstanding any other provision of this retirement system, any employee other than a police officer or firefighter, hired on or after December 8, 2015, who elected to participate in a retirement plan other than this system upon employment by the city and elects to participate in this system in accordance with section 46-26(h), shall be eligible to purchase credited service for all purposes of this system for all or a portion of their period of full-time city employment prior to participation in this system in accordance with this subsection (g). Participants who wish to purchase prior city service must elect to do so between November 1, 2024 and February 28, 2025. The participant will be required to contribute for such service an amount equal to the full actuarial cost of the service as determined by the plan actuary; provided in no event shall the participant be required to pay the actuary's fee to calculate the service purchase amount. Payment for the purchase of credited service pursuant to this subsection (g) may be made by lump sum cash payment; deduction from the employee's compensation; by direct transfer from another qualified retirement plan that permits such transfers; or a combination of such methods in accordance with the administrative regulations established by the Retirement Board. If the full actuarial cost for such purchased service is not paid in full at the time a participant enters the DROP or separates from city employment, only the amount of credited service for which the full actuarial cost has been paid shall be recognized.

SECTION 5. Section 46-29 of the "Code of the City of Coral Gables" pertaining to "Pensions" is hereby amended to read as follows:

Sec. 46-29. - City contributions.

The city guarantees to make such contributions that are required by state law as determined by the actuary employed for the system in accordance with section 46-132 in his or her state-accepted actuary report.

~~(1) Notwithstanding anything in this section or section 46-34 to the contrary, if the city's annual required contribution to the system for any fiscal year beginning on or after October 1, 2011, on behalf of participants in the bargaining unit represented by Teamsters Local Union 769, exceeds the city's required contribution of such employees based on the actuarial cost methods and amortization period contained in the October 1, 2009, actuarial valuation, and expressed as a percentage of payroll as established in the October 1, 2009, actuarial valuation, as adjusted by the September 27, 2010, actuarial impact statement, the excess shall be divided equally between the city and employees. Effective September 20, 2011, the city's annual required contribution for Teamsters bargaining unit employees shall be based on the actuarial valuation for the system for general employees applicable to the then current fiscal year, excluding the contribution effect of non-bargaining unit employees.~~

~~(2) Notwithstanding anything in this section or section 46-34 to the contrary, if the city's annual required contribution to the system for any fiscal year beginning on or after October 1, 2011, on behalf of excluded employees, exceeds the city's required contribution for such employees based on the actuarial cost methods and amortization period contained in the October 1, 2009, actuarial valuation, and expressed as a percentage of payroll as established in the October 1, 2009, actuarial valuation, as adjusted by the September 27, 2010, actuarial impact statement, the excess shall be divided equally between the city and excluded employees. Effective September 30, 2011, the city's annual required contribution for excluded employees shall be based on the actuarial valuation for the system for general employees applicable to the then current fiscal year, excluding the contribution effect of bargaining unit employees.~~

~~(3) In the actuarial valuation, the normal cost and unfunded amortization payment for the plan shall be separately calculated for each employee group (general employees, firefighters and police officers), based on the actuarial cost methods and amortization period contained in the most recent actuarial valuation, with the total assets of the plan allocated in ratio to the actuarial accrued liability of each employee group (general employees, firefighters and police officers), and a complete calculation of the total required contribution separately performed for each group.~~

~~(2)(4) The contributions made by employees pursuant to this section and section 46-34 shall be designated as employer contributions pursuant to section 414(h) of the Internal Revenue Code. Such designation is contingent upon the contributions being excluded from the employees' gross income for federal income tax purposes. For all other purposes of the system, such contributions shall be considered to be employee contributions. Any additional employee contributions required as a result of revisions to the calculations required by subsections (1) and (2) of this section for plan years 2011-12 and 2012-13, determined after the beginning of the plan year, shall be paid by the city.~~

~~(3)(5) Notwithstanding the cost-sharing provisions of subsection (1) of this section, participants in the bargaining unit represented by Teamsters Local Union 769 shall contribute 17 percent of compensation effective September 30, 2013, until September 30, 2014, and shall contribute 15 percent of compensation effective September 30, 2014, until September 30, 2016. Effective October 1, 2016, participants in the bargaining unit represented by Teamsters Local Union 769 shall contribute in accordance with the cost-sharing provisions of subsection (1) of this section and section 46-34, subject to a~~

~~maximum cap of: 15 percent of compensation through March 18, 2018; 14.5 percent of compensation from March 19, 2018, through the last full pay period before October 1, 2018; 14 percent of compensation from the first pay period after October 1, 2018 through the last full pay period before October 1, 2019; and 13.5 percent of compensation from the first pay period after October 1, 2019 through the last full pay period before September 30, 2022. Effective the first pay period following the last full pay period before September 30, 2022, participants in the bargaining unit represented by Teamsters Local Union 769 shall contribute in accordance with the cost sharing provisions of subsection (1) of this section and section 46-34, subject to a maximum cap of 13 percent of compensation through the last full pay period before September 30, 2024. Effective October 7, 2024 the first full pay period following the last full pay period before September 30, 2024, participants in the bargaining unit represented by Teamsters Local Union 769 shall contribute in accordance with the cost-sharing provisions of subsection (1) of this section and section 46-34, subject to a maximum cap of 13.5 percent of compensation.~~

~~(4)(6) Notwithstanding the cost sharing provisions of subsection (2) of this section, excluded employees shall contribute 15 percent of compensation to the system effective September 30, 2013 until September 30, 2014. Effective October 1, 2014 through March 18, 2018, excluded employees shall contribute in accordance with the cost sharing provisions of subsection (2) of this section and section 46-34. Effective March 19, 2018, excluded employees shall contribute at a rate equal to 0.5 percent less than the percent of compensation determined in accordance with the cost sharing provisions of subsection (2) of this section, but in no event less than 10 percent of compensation. Effective the first pay period after October 1, 2018, excluded employees shall contribute at a rate equal to 1.0 percent less than the percent of compensation determined in accordance with the cost sharing provisions of subsection (2) of this section, but in no event less than 10 percent of compensation. Effective the first pay period after October 1, 2019, excluded employees shall contribute at a rate equal to 1.5 percent less than the percent of compensation determined in accordance with the cost sharing provisions of subsection (2) of this section, but in no event less than 10 percent of compensation. Effective October 7, 2024, the first pay period after September 30, 2020, excluded employees shall contribute in accordance with the cost sharing provisions of subsection (2) of this section and section 46-34.~~

SECTION 6. Section 46-34 of the "Code of the City of Coral Gables" pertaining to "Pensions" is hereby amended to read as follows:

Sec. 46-34. - Employee contributions.

~~Effective October 1, 2005, all employees except police officers and elected and appointed officials shall contribute five percent of their total earnings to the system. Effective September 30, 2009, police officers and elected and appointed officials shall contribute five percent of their total earnings to the system, and all other excluded employees shall contribute ten percent of their total earnings to the system. Effective September 30, 2010, and except as otherwise provided in section 46-29, all participants in the bargaining unit represented by Teamsters Local Union 769 shall contribute ten percent of their~~

~~compensation to the system. Effective September 30, 2013, firefighters shall contribute eight percent of their pensionable earnings to the system. Effective September 30, 2014, firefighters shall contribute ten percent of their pensionable earnings to the system. Effective September 30, 2014, sworn police personnel shall contribute ten percent of their pensionable earnings to the system. Effective October 7, 2024, excluded employees and employees in the bargaining unit represented by Teamsters Local Union 769 shall contribute ten percent of their compensation to the system.~~

SECTION 7. Section 46-253 of the "Code of the City of Coral Gables" pertaining to "Pensions" is hereby amended to read as follows:

Sec. 46-253. - Normal retirement income.

* * *

(9) Notwithstanding paragraphs (1) through (5) above, effective March 13, 2018, for participants in the bargaining unit represented by Teamsters Local Union 769, the maximum retirement benefit in the normal annuity form shall not exceed the lesser of: \$50,000.00 annually or 75 percent of final average compensation for participants with less than ten years of credited service on March 13, 2018; and \$67,500.00 annually or 75 percent of final average compensation for participants with ten or more years of credited service on March 13, 2018; provided in no event shall a participant's benefit be less than the accrued benefit on March 13, 2018. Notwithstanding the preceding sentence, effective October 7, 2024, for participants in the bargaining unit represented by Teamsters Local Union 769 who retire or enter the DROP on or after October 7, 2024, the maximum retirement benefit in the normal annuity form shall not exceed 75 percent of final average compensation; provided in no event shall a participant's benefit be less than the accrued benefit on March 13, 2018.

SECTION 8. Section 46-269 of the "Code of the City of Coral Gables" pertaining to "Pensions" is hereby amended to read as follows:

Sec. 46-269. - Deferred retirement option plan (DROP).

(a) *Eligibility*

* * *

(4) Except as otherwise provided in paragraph (3) of this subsection, the maximum DROP participation period will be a fixed 60-month period for all participants, except firefighter and police officer participants. The maximum DROP participation period for firefighter participants shall be a fixed 96-month period. Effective July 13, 2021, the maximum DROP participation period for police officer participants shall be a fixed 96-month period. Except as otherwise provided in paragraph (3) of this subsection, effective October 7, 2024, for participants in the bargaining unit represented by Teamsters Local Union 769 and

excluded employees who are participating in the DROP on that date and/or who enter the DROP on or after that date, the maximum DROP participation period shall be a fixed 96-month period commencing on the employee's date of entry into the DROP.

* * *

SECTION 9. That all sections or parts of sections of the 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 are hereby repealed insofar as there is a conflict or inconsistency.

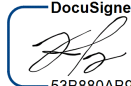
SECTION 10. That it is the intention of the Commission of the City of Coral Gables, Florida, that the provisions of this Ordinance shall become and be made a part of the City of Coral Gables Code of Ordinances; and that the sections of this Ordinance may be renumbered or re-lettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or such other appropriate word or phrases in order to accomplish such intentions.

SECTION 11. This Ordinance shall become effective upon its passage and adoption herein, except as otherwise specifically provided herein.

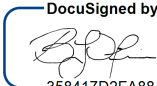
PASSED AND ADOPTED THIS TWENTY-SECOND DAY OF OCTOBER, A.D., 2024.

(Moved: Menendez / Seconded: Anderson)
(Yeas: Anderson, Castro, Fernandez, Menendez, Lago)
(Unanimous: 5-0 Vote)
(Agenda Item: E-1)

APPROVED:

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VINCE LAGO
MAYOR

ATTEST:

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BILLY Y. URQUIA
CITY CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

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CRISTINA M. SUÀREZ
CITY ATTORNEY