



City of Coral Gables
CITY COMMISSION MEETING
November 14, 2017

ITEM TITLE:

AN EMERGENCY ORDINANCE AMENDING CHAPTER 50 OF THE "CODE OF THE CITY OF CORAL GABLES," ENTITLED "PENSIONS," IMPLEMENTING PROVISIONS OF THE 2017-2020 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY AND THE TEAMSTERS AND IMPLEMENTING SIMILAR CHANGES FOR EXCLUDED EMPLOYEES, AMENDING SECTION 50-29, CITY CONTRIBUTIONS; AMENDING SECTION 50-230, NORMAL RETIREMENT INCOME; AND PROVIDING FOR SEVERABILITY, REPEALER, CODIFICATION, AND AN EFFECTIVE DATE.

DEPARTMENT HEAD RECOMMENDATION:

Approval.

BRIEF HISTORY:

This Ordinance implements the following pension changes contained in the recently ratified collective bargaining agreement between the City and the Teamsters, Local 769 (the "Agreement"):

- The retirement cost sharing contribution cap for bargaining unit employees covered by the Agreement shall be reduced by 0.5% for each fiscal year of the Agreement (current cap 15%) as follows:
 - Fiscal Year 2018 - 14.5% (effective November 14, 2017)
 - Fiscal Year 2019 - 14%
 - Fiscal Year 2020 - 13.5%
 - The retirement cost sharing contribution cap for bargaining unit employees covered by the Agreement returns to 15% at expiration of the Agreement.
- The maximum retirement benefit in the normal annuity form for bargaining unit employees covered by the Agreement shall not exceed the lesser of: \$40,000 annually or 75 percent of final average compensation for participants with less than 10 years of credited service on November 14, 2017; and \$59,500 annually or 75 percent of final average compensation for participants with 10 or more years of credited service on November 14, 2017; provided in no event shall a participant's benefit be less than the accrued benefit on November 14, 2017.

This Ordinance also implements the following pension changes for excluded employees (general employees not covered by the Agreement):

- The retirement contribution for excluded employees for each of the next 3 fiscal years shall be as follows:
 - Fiscal Year 2018 - 0.5% less than the percent of compensation determined in accordance with the current cost-sharing provisions of the pension plan (effective November 14, 2017)

- Fiscal Year 2019 – 1.0% less than the percent of compensation determined in accordance with the current cost-sharing provisions of the pension plan
- Fiscal Year 2020 – 1.5% less than the percent of compensation determined in accordance with the current cost-sharing provisions of pension plan
- In no event shall the employee’s retirement contribution be less than 10%.
- Effective September 30, 2020, the employee’s retirement contribution shall be in accordance with the current cost-sharing provision of the pension (no reduction).

ATTACHMENT(S):

1. **Ordinance**
2. **Actuarial Impact Statement (Prepared by GRS Retirement Consulting)**