

City of Coral Gables City Commission Meeting
Agenda Items F-6 and I-1 are related
July 13, 2021
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Vince Lago

Vice Mayor Michael Mena

Commissioner Rhonda Anderson

Commissioner Jorge Fors, Jr.

Commissioner Kirk Menendez

City Staff

City Manager, Peter Iglesias (Absent)

Assistant City Manager, Ed Santamaria

City Attorney, Miriam Ramos

City Clerk, Billy Urquia

Labor Relations & Risk Management, Raquel Elejabarrieta

Police Officer Richard Gruich

Public Speaker(s)

Agenda Items F-6 and I-1 are related

F-6: An Ordinance amending Chapter 46 of the "Code of the City of Coral Gables," entitled "Pensions," Implementing Provisions of the 2020-2023 Collective Bargaining Agreement between the City and the Fraternal Order of Police ("FOP"); amending Section 46-26, Compulsory Participation; amending Section 46-27, purchase of credited service for period of military service and/or employment with other public employers; amending Section 46-253, Normal Retirement Income; amending Section 46-262, Limitation On Payment of Retirement Income; amending Section 46-269, Deferred Retirement Option Plan; and providing for a severability clause, repealer provision, codification, and providing for an effective date.

I-1: A Resolution of the City Commission with attachments, ratifying the Collective Bargaining Agreement between the City of Coral Gables and the Fraternal Order of Police, Coral Gables Lodge Number 7, for the period of October 1, 2020, through September 30, 2023.

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City Attorney Ramos: I-1 is a Resolution of the City Commission with attachments, ratifying the Collective Bargaining Agreement between the City of Coral Gables and the Fraternal Order of Police, Coral Gables Lodge Number 7, for the period of October 1, 2020, through September 30, 2023.

Ms. Elejabarrieta: Good evening Mayor and Commissioners, Raquel Elejabarrieta with the office of Labor Relations and Risk Management. The city and the Fraternal Order of Police have successfully negotiated a collective bargaining agreement. The term of the collective bargaining agreement is a three-year term of fiscal years 21, 22, and 23. The FOP recently ratified the collective bargaining agreement, and the resolution is before you for your ratification of the same agreement. Some of the material changes in the agreement are increases, two percent increases for each of the three fiscal years of the agreement, and the addition of Step 14 for the rank of police officers for the last fiscal year of the agreement for increasing the monthly contribution for health insurance to \$1,000 per employee and we are making some pension changes. We are extending the D.R.O.P. to 96 months. We are increasing the normal retirement cap by two percent effective the last fiscal year of the collective bargaining agreement, so it will be the lesser of \$98,838 or 75 percent of the employee's average final compensation. We are allowing police retirees hired from other agencies when they are hired by the city to select the 401 or the Defined Benefit Plan. If a retiree of the City of Coral Gables is rehired, they will only be given the option of a 401. Both Chief Hudak and I are here to answer any questions you may have on the contract. In addition, we have the FOP Executive Board, after we answer any questions, you may have who also wants to say a few words.

Mayor Lago: Thank you Raquel. Just for the record, as I always ask before I vote on any of these pension agreements. Talk to me a little bit about the unfunded liability. We have made a significant commitment this year, we are bumping up our contribution to \$7 million, almost a \$2 million dollar increase from last year, about a \$2 million dollar increase from last year. And the last thing I want to do is pay Peter by robbing Paul. We've talked about this before. Does this agreement have any negative impacts in regard to our unfunded liabilities, after all the hard work and all the road that we travelled?

Ms. Elejabarrieta: We do not anticipate this agreement any negative unfunded liability, any negative impact on the unfunded liability of the pension plan. There is one pension change that does have a cost to it, however, and that is, I did not mention, and that is the pension buy back formula for those who have prior military and public service. We are allowing them to purchase it at 18 percent of their first-year salary, which was a formula that was in place two years ago. If an employee elects to use that formula, that cost will be paid by the city up front to avoid any unfunded liability issues with the pension plan.

Mayor Lago: And that's the backstop, and not only that, but what's also important there is what you mentioned is prior military involvement.

Ms. Elejabarrieta: Right.

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Mayor Lago: To us, as a Commission, we mentioned how important that is. Anybody who is coming out of the military, we want to make sure that they roll into positions like Coral Gables because they have a lot to offer, so that's number one. Number two, what was my other point that I forgot, I can't remember, I've been talking too much. Anybody else have any comments?

Vice Mayor Mena: Just to put a punctuation on the point you're making. We had a workshop recently with our pension board which was very productive and it was a very positive presentation in terms of the direction we are going on the unfunded liability, and I would just really make the same comment I made that day today, with more people watching which is, this issue is maybe the biggest issue we deal with as a city, in terms of, certainly in terms of the city's economics, and so, I can't punctuate it enough from that perspective that the difference that's being made here and the trajectory we're on where we are going to get to a point in the not so distant future that we don't have that unfunded liability anymore and we are going to have an extra, I forget what the number is, \$22 million that are not going to an unfunded liability is pretty monumental in terms of things we'll be able to do, services we'll be able to provide and that's why I think you sometimes hear us belaboring the point and harping on it and its because its not some, it sounds like some esoteric thing we are talking about, because it's this thing that people don't really get roll their sleeves up and get their hands into, but when you do, you realize that, again, this is probably the biggest thing that impacts our budget and our city's economic, so its really fantastic and I applaud everybody for continuing to make it a priority. And by the way, I applaud our unions for in these negotiations with us, not only in this instance, but in other instances understanding that that's a city priority and working around it to try to reach a deal that makes sense for everybody. I think its important to recognize both sides of that, and so, congratulations to you guys, and kudos to you guys for steering the ship in that direction and I'm glad we're at this point.

Chief Hudak: I would be remiss if I didn't tell you all, I think Raquel and I, the union was very pragmatic on exactly what we were looking for and the positions that they were looking for, and again, as negotiation session goes, I have sat on both sides of the table. I believe they, the employees as we've said, the employees are the crux of what we do, they have been very pragmatic on what we as a city can do, as far as what their livelihoods are. In that case that area was very smooth as far as the talks and a very educated decision by a majority of the members.

Vice Mayor Mena: And that's because that tone has been set now for a long time going back to Mayor Cason and through the last however many years now, since Mayor Lago joined the Commission and onward. It's something that I think for any first-time elected official when you walk into that and you first learn about this aspect of the city's finances, its very illuminating and its important that that tone continues to be set so that we continue on this trajectory, and we've been making tremendous strides and I know we are going to continue to do that.

Mayor Lago: I'm happy you mentioned that, Vice Mayor, I forgot to mention that, because of the cooperation of the police, the union, and I want to commend the police, because they took a big step forward, like the Chief said, and I think that a lot of people as a city as-a-whole need to understand that this Commission only wants the best, for not only the residents and the business community, but for its employees, because when we do great, when we do well, you do great, and

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we are on the path right now as you can see by the commitment of over \$7 million this year in additional funds for the unfunded liability, that's going to pay significant dividends in the future, and when we have more money, if I'm here, and this Commission's here, its not only going to be for the residents and the business community, its going to be for all the employees. We want to see you provide the best services and continue to provide the best services, those world class services, why people move into our city, like Commissioner Menendez alluded to at the beginning of the Commission. So, I think this is a really big positive step forward, like the Vice Mayor said, and I think we are sending a strong message; we are sending a strong message that we are working together, we are not adversaries and that as long as we do well, you are going to do incredibly well, but we have to work together.

Ms. Elejabarrieta: So, I believe Officer Gruich who is the Vice President of the FOP would like to say a few words.

Officer Gruich: Good evening everybody. In response to ratification, I'll just like to submit two statements graciously, please. First and foremost, President Bruzos couldn't be here today, so he asked me to read his written statement. "Mr. Mayor and Commissioners, I'm sorry that I could not be there in person, but I want to thank you for ratifying this contract. The members of the Coral Gables Fraternal Order of Police look forward to giving the residents the best service possible, as well as working with the city for the betterment of our community and its employees. Fraternaly, Javier Bruzos." In addition, we have members of our Executive Board here. Can you guys stand up here with me please. They are here to represent our officers and collectively we too would like to submit our gratitude to the Commission, to the City, Raquel, and Chief Hudak for all the hard work that went into this contract, to bring this contract to fruition, and to get the ratification done. So, thank you for that and we look forward to working with you guys in the future. Thank you, guys.

Mayor Lago: Gentlemen, God bless, continued hard work.

Commissioner Menendez: Great job.

Commissioner Anderson: Thank you. Thank you for all your hard work.

Mayor Lago: We need a motion.

Commissioner Menendez: I'll make the motion.

Commissioner Fors: Second.

Commissioner Fors: Yes

Vice Mayor Mena: Yes

Commissioner Menendez: Yes

Commissioner Anderson: Yes

Mayor Lago: Yes

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(Vote: 5-0)

City Attorney Ramos: F-6 is an Ordinance amending Chapter 46 of the "Code of the City of Coral Gables," entitled "Pensions," Implementing Provisions of the 2020-2023 Collective Bargaining Agreement between the City and the Fraternal Order of Police ("FOP"); amending Section 46-26, Compulsory Participation; amending Section 46-27, purchase of credited service for period of military service and/or employment with other public employers; amending Section 46-253, Normal Retirement Income; amending Section 46-262, Limitation On Payment of Retirement Income; amending Section 46-269, Deferred Retirement Option Plan; and providing for a severability clause, repealer provision, codification, and providing for an effective date. This is a first reading ordinance and it's a public hearing item.

Mayor Lago: Are there any comments? I'll entertain a motion.

Commissioner Anderson: I'll move it, no, you move it. I'll second it then.

Vice Mayor Mena: Motion.

City Attorney Ramos: Mr. Clerk there are no comments?

City Clerk Urquia: No ma'am.

Vice Mayor Mena: Yes

Commissioner Menendez: Yes

Commissioner Anderson: Yes

Commissioner Fors: Yes

Mayor Lago: Yes

(Vote: 5-0)

Ms. Elejabarrieta: Thank you.

Mayor Lago: Thank you, great work.