



**City of Coral Gables
CITY COMMISSION MEETING
SEPTEMBER 14, 2010**

ITEM TITLE:

Ordinance amending Chapter 50, Article II of the Code of the City of Coral Gables, entitled "Retirement System for City Employees," implementing action taken by the City Commission to establish provisions of the 2009-2010 collective bargaining agreement between the City of Coral Gables and Teamsters Local Union 769; Revising provisions for excluded employees; Creating a definition of "average final compensation," and revising definitions of "compensation," "disability," "highest three year average," "normal retirement date," and "total earnings;" Revising normal retirement income; Revising disability benefits; Revising DROP eligibility; Revising the purchase of prior credited service; Creating a new section providing for benefits of excluded employees; Providing an effective date; and repealing all ordinances inconsistent herewith.

DEPARTMENT HEAD RECOMMENDATION:

Approval.

BRIEF HISTORY:

This Ordinance makes the following changes to the City of Coral Gables Retirement System for those employees included in the Teamsters Local Union 769 bargaining unit:

- The benefits of all current employees will be frozen effective 9/30/10.
- Current employees will be 100% vested in their accrued benefit as of that date.
- Employee pension contributions shall be increased from 5% to 10%.
- Formula: $2.25\% \times \text{average final compensation} \times \text{years of future service}$.
- Pensionable earnings: base compensation, including shift differential and special assignments.
- Normal retirement: age 62 with 10 years service; age 65 with 6 years service; or "Rule of 80."
- Average final compensation: highest five year average.

Disability Benefits:

- Line of Duty: 42% of average final compensation; or accrued benefit, if greater.
- Non-Duty: 25% of average final compensation (with 6 years' service).
- Definition of disability: employee prevented from rendering useful and efficient service as an employee in any capacity (FRS Definition).

DROP:

- Employee must elect DROP within 3 years after reaching new normal retirement date. If employee delays entry into DROP more than 3 years beyond normal retirement, maximum DROP period decreases by one month for every month of delayed DROP entry.

Prior Military Service:

- Employees required to pay the full actuarial cost for the purchase of prior military.

This Ordinance also makes the following changes to the City of Coral Gables Retirement System for certain categories of excluded employees (i.e. employees not covered by a collective bargaining agreement):

- Managerial employees: 3% multiplier for first 10 years; 2.25% thereafter
- Professional/Supervisory employees: 2.50% multiplier for first 10 years; 2.25% multiplier thereafter
- Confidential employees: 2.25% multiplier
- Appointed Officials: 3% multiplier

APPROVED BY:

Department Director	City Attorney (If Applicable)	City Manager

Attachments

1. Ordinance