

CITY OF CORAL GABLES

ORDINANCE NO. 2015-__

AN ORDINANCE AMENDING CHAPTER 50 OF THE “CODE OF THE CITY OF CORAL GABLES,” ENTITLED “PENSIONS,” AMENDING SECTION 50-230, NORMAL RETIREMENT INCOME; AND PROVIDING FOR REPEALER, CODIFICATION, AND AN EFFECTIVE DATE.

WHEREFORE, Florida law does not permit additional pension benefits to be paid from actuarial experience, including investment return, if the present value of the benefit exceeds the net actuarial experience accumulated from all sources of gains and losses, and prohibits any procedure or method that transfers to future taxpayers pension costs that should be paid by current taxpayers; section 112.61, Florida Statutes; and

WHEREFORE, Florida law also provides that the pension funding requirements in Part VII, Chapter 112, Florida Statutes supplement and, to the extent of any conflict, prevail over local pension ordinances as provided in section 112.62, Florida Statutes; and

WHEREFORE, the City Attorney has provided an interpretation pursuant to section 2-201(e)(8) of the City Code that the pension funding requirements in section 112.61, Florida Statutes are already part of the City’s pension ordinance pursuant to state law; and

WHEREFORE, the Florida Division of Retirement has issued a letter indicating that the pension COLA contained in section 50-230(c) of the City Code cannot be paid unless the net actuarial experience accumulated from all sources of gains and losses is sufficient to fund the benefit; and

WHEREFORE, the City is clarifying the ordinance to expressly include the state law requirement that is already included by operation of law.

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

SECTION 1. Section 50-230 of the “Code of the City of Coral Gables” pertaining to “Pensions” is hereby amended to read as follows:

Sec. 50-230. Normal retirement income.

* * *

(c) *Cost of living increase.* Effective as of each January 1, each person who has been in receipt of benefits for the full preceding year will receive a permanent increase in monthly benefit calculated as follows:

- (1) The percentage change in cost of living as measured by the Consumer's Price Index (CPI-W) from the month of September of the last year in which an increase was granted to September of the current year will be determined.
- (2) This percentage change will be multiplied by 50 percent.
- (3) The amount from subsection (c)(2) of this section will be maximized at 2.75 percent, but will not be allowed to be less than zero percent.
- (4) The increase determined from subsection (c)(3) of this section will be granted if the market value rate of return (as determined by the actuary) on the assets of the retirement system determined from October 1 of the previous year to September 30 of the current year is greater than or equal to ten percent, and the present value of such increase does not exceed the net actuarial experience accumulated from all sources of gains and losses as provided in section 112.61, Florida Statutes. However, if the current year is a year that follows a year or years in which no cost of living adjustment was made ~~as a result of rate of return less than required by this provision, the current year's rate of return must be at least ten percent, and ,then~~ the cumulative rate of return on the assets from the year in which the last adjustment was made must also be greater than zero percent.
- (5) If an increase cannot be granted in a year due to subsection (c)(4) of this section the maximum increase in subsection (c)(3) of this section will be multiplied by the number of years since the last increase up to an overall maximum of eight percent.

* * *

SECTION 2. 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 3. 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 4. This Ordinance shall become effective upon adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, A.D., 2015.

(Moved:

APPROVED:

JIM CASON
MAYOR

ATTEST:

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

WALTER J. FOEMAN
CITY CLERK

CRAIG E. LEEN
CITY ATTORNEY