

City of Coral Gables City Commission Meeting
Agenda Item E-9
March 25, 2015
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Jim Cason

Vice Mayor William H. Kerdyk, Jr.

Commissioner Pat Keon

Commissioner Vince Lago

Commissioner Frank Quesada

City Staff

City Manager, Cathy Swanson-Rivenbark

City Attorney, Craig E. Leen

City Clerk, Walter J. Foeman

Deputy City Clerk, Billy Urquia

Finance Director, Diana Gomez

Public Speaker(s)

Agenda Item E-9 [9:48:31 a.m.]

An Ordinance amending Chapter 50 of the Code of the City of Coral Gables, entitled "Pensions", amending Section 50-26, Compulsory Participation; and providing for repealer, codification, and an effective date. (This election pertains only to the Deputy City Attorney and Assistant City Manager positions.)

Vice Mayor Kerdyk: Next on the agenda is the First Reading on E-9. E-9 – An Ordinance amending Chapter 50. Madam City Manager please read this into the record.

City Manager Swanson-Rivenbark: I will. May I just provide some background? At your Pension Workshop you challenged staff to come up with some additional procedures to help address the unfunded liability. The discussion was, should we introduce a Defined Contribution program away from Defined Benefit? We asked the opportunity to make it a voluntary – we recognize this will be an improvement in our unfunded liability and so we are introducing that voluntary possibility to our executive level staff at this point, and so that would be only pertaining to the

Deputy City Attorney who has arrived, as well as Assistant City Manager positions should they wish to accept it. And with that, I'll read it into the record. An Ordinance amending Chapter 50 of the Code of the City of Coral Gables, entitled "Pensions", amending Section 50-26, Compulsory Participation; and providing for repealer, codification, and an effective date. Noting that this election pertains only to the Deputy City Attorney and Assistant City Manager positions.

City Attorney Leen: Mr. Mayor. If I may add, the way that this would work is presently the appointed officials can have a – basically like a 401(a) or 457 Plan, which they can elect, they elect out of the pension and they receive that instead, that's determined by the Commission and you do that in our contracts, in our resolutions that you approve. This would allow for – right under those positions basically that Assistant City Manager and the Deputy City Attorney to have the same ability to elect. The amount would be determined by the City Manager because these are employees as opposed to – they are appointed officials, I mean pardon me, they are right under the appointed officials, they are high level, but they are employees and typically the City Manager sets those rates for excluded employees. So it would be the decision of the City Manager, but it would still be an election, they don't have to choose it, so they would be presented with a proposal by the City Manager and then at that point they would decide and then they would proceed.

Mayor Cason: Madam City Manager so you are envisioning potentially three people at the moment; two Assistant City Managers, one which is not chosen, is that correct?

City Manager Swanson-Rivenbark: Yes – but it is not that the current Assistant City Manager would need to migrate to it, it's only new that would come unless she of course would elect to do that.

Commissioner Quesada: Do we have analysis on the impact?- because I understand this is obviously a very small sample, just really deals with three employees, but do we have any kind of analysis where we envision moving forward if this were applied citywide or through certain departments, have we done that?

Ms. Gomez: Good morning, Diana Gomez. We have not done that analysis, if we were to apply it citywide. In talking with the City actuary it was determined that this would not negatively impact the pension liability because you are not adding to that liability, so it would not be a negative impact. So if we wanted to do additional analysis...

Commissioner Quesada: I guess that I assume that obviously it wouldn't have a negative impact. My question is, what would the positive impact be if it were applied? I mean I have no problem

going ahead with this now. I'm in favor of this, but if we can just do some additional research maybe for future...

City Manager Swanson-Rivenbark: I can answer that because we did talk to the actuary about the concept of an elected Defined Contribution and the more people that would chose to enter into that Defined Contribution Plan, whether they are new employees or existing employees that would reduce the liability over the long run. So the concept we know is better for the unfunded, we believe that it is a healthy step forward and making it an optional election is the direction that we would only put on the table.

Ms. Gomez: And it would actually make it a known expenditure, its none of that..."X" amount of percentage.

Commissioner Quesada: Of course – which we've discussed and I think we are all in agreement with that, based on the previous conversations that we've had up here. I was just curious to see some more data on it.

City Manager Swanson-Rivenbark: Well it is such a small pool of participation that it would be...nine digits and so – but I think the concept of making it attractive should new employees come, existing employees once they are vested might chose to do that, I think it's a good financial tool for the City to have in its tool kit as we work harder on the unfunded liability issue.

Commissioner Quesada: OK.

Vice Mayor Kerdyk: Any other questions from staff? It's a public hearing, are there any speaker cards?

City Clerk Foeman: No Vice Mayor.

Vice Mayor Kerdyk: If not, is there a motion?

Commissioner Quesada: So moved.

Mayor Cason: I'll second it.

Vice Mayor Kerdyk: Motion by Commissioner Quesada, second by the Mayor, would you call the roll please.

Commissioner Quesada: Yes

Commissioner Keon: Yes
Commissioner Lago: Yes
Mayor Cason: Yes
Vice Mayor Kerdyk: Yes
(Vote: 5-0)

[End: 9:53:46 a.m.]