

**CITY OF RIVIERA BEACH CITY COUNCIL  
AGENDA ITEM SUMMARY**

MEETING DATE: NOVEMBER 17, 2010

AGENDA ITEM SUMMARY NO. F10-112-2

- AWARDS / PRESENTATIONS / PETITIONS
- CONSENT
- PUBLIC HEARING
  - ORDINANCE ON SECOND READING
  - PUBLIC HEARING
- ORDINANCE ON FIRST READING

- REGULAR
- RESOLUTION
- DISCUSSION & DELIBERATION
- BOARD APPOINTMENT
- WORKSHOP

**SUBJECT: PRESENTATION** – That Atty. Ken Harrison, attorney for the General Employees Pension Board, make a presentation to City Council for two (2) ordinances affecting the General Employees Pension Plan; 1<sup>st</sup> Ordinance - remove the 30 year cap from the DROP Ordinance and 2<sup>nd</sup> Ordinance - increase the monthly pension amounts for retirees who receive less than \$700 per month.

**RECOMMENDATION/MOTION:** That Ken Harrison explain to the City Council the two (2) ordinances for City Council's approval for placement on city council agenda.

**DEPARTMENTAL APPROVAL REVIEW & DATE**

♦Assistant City Manager <i>PPW 11/9/10</i>	Library
♦City Attorney <i>PHR 11/8/10</i>	Marina
♦City Clerk <i>CB</i>	Police
Community Development	Public Works
♦Finance <i>KLA</i>	Purchasing
Fire	Recreation & Parks
♦Human Resources <i>MD</i>	Water & Sewer

APPROVED BY CITY MANAGER: *[Signature]*

DATE: 11-8-10

Originating Dept. <b>HUMAN RESOURCES</b> <i>[Signature]</i>	Costs: Unknown at this time  Current FY:  Funding Source: <input type="checkbox"/> Capital Improvement <input type="checkbox"/> Operating <input type="checkbox"/> Other:  Budget Account Number:	City Council Actions: <input type="checkbox"/> Approved <input type="checkbox"/> Approved w/conditions <input type="checkbox"/> Denied _____ <input type="checkbox"/> Tabled to _____ <input type="checkbox"/> Referred to Staff _____
User Dept.	Advertisized: Date: Paper: <input checked="" type="checkbox"/> Not Required  Affected Parties <input type="checkbox"/> Notified <input checked="" type="checkbox"/> Not Required	Attachments: 1. Two (2) ordinances- removing the 30 year cap and replacing with a five (5) year maximum in the DROP and increasing retirees whose monthly pension amount is less than \$700. 2. List of retirees earning less than \$700 per month.

BACKGROUND/SUMMARY: See next page

**Item No. 8**

**August 5, 2009, City Council passed the DROP Ordinance for General Employees. When the ordinance passed it included that eligible employees who had 25 or more years of service must enroll in the DROP within 90 days. The maximum amount of time to stay in the DROP is 30 years. It was later discovered that other employees who were ineligible at the time the ordinance passed, had more than the 25 years of service and the thirty (30) year cap would decrease the number of years in the DROP. Therefore, it is requested that City Council allow the ordinance to be placed on the agenda to remove the 30 year cap and permit employees who have been employed with the City 25 years or more and who become eligible to participate in the DROP for the full five (5) years.**

**The second ordinance concerns increasing the monthly amounts of fifteen (15) retirees who receive less than \$700 per month in pension benefits. Initially there were 25 retirees who were receiving less than \$700 per month which would have cost the City approximately \$44,000 per year for the next 15 years. However, the General Employees Pension Board revisited the issue and voted to delete receipt of the beneficiaries bringing the total to 19 retirees who would be impacted. Months have passed and four (4) retirees have become deceased, therefore the amount of monies have changed for the City's contribution to approximately \$27,188 per year for the next 15 years. Mr. Harrison is presenting this item requesting the City Council's approval for the increase and placement of the ordinance on the Council's agenda.**

EXHIBIT A-1

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	20_10_	20_11_	2012_	2013_	2014_
Capital Expenditures	<u>N/A</u>	_____	_____	_____	_____
Operating Costs	<u>UNK</u>	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (City)	_____	_____	_____	_____	_____
In-Kind Match (City)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	_____	_____	_____	_____
NO. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

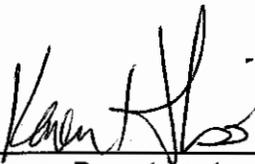
Is Item Included In Current Budget? Yes \_\_\_ No \_\_\_  
Budget Account No.: Fund \_\_\_ Dept/Division \_\_\_\_\_ Object \_\_\_\_\_  
Reporting Category \_\_\_\_\_

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: \_\_\_\_\_

III. REVIEW COMMENTS

A. Finance Department and/or Purchasing/Intergovernmental Relations/Grants Comments:

  
\_\_\_\_\_  
Finance Department

\_\_\_\_\_  
Purchasing and Grants

B. Other Department Review:

\_\_\_\_\_  
Department Director

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF RIVIERA BEACH, PALM BEACH COUNTY, FLORIDA AMENDING ARTICLE II ENTITLED "GENERAL EMPLOYEES", CHAPTER 14, ENTITLED "PENSIONS AND RETIREMENT PROGRAMS," BY REVISING SECTION 14-36 ENTITLED "OPTIONAL FORMS OF RETIREMENT BENEFITS" OF THE CODE OF ORDINANCES OF THE CITY OF RIVIERA BEACH RELATING TO THE RETIREMENT SYSTEM FOR GENERAL EMPLOYEES BY REVISING SUBSECTIONS (2)(A) AND (B) AND SUBSECTION (D) (iv) OF THE DEFERRED RETIREMENT OPTION PROGRAM (DROP) TO REMOVE THE THIRTY (30) YEAR EMPLOYMENT CAP; PROVIDING FOR CONFLICTS, SEVERABILITY, AND CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the City Administration desires to revise the General Employees Retirement System under the Deferred Retirement Option Program (DROP) to improve the benefit for all employees who plan to participate; and

**WHEREAS**, currently an employee may elect participation in the DROP for a maximum of sixty (60) months; and

**WHEREAS**, some employees are ineligible to participate in the DROP for the full sixty (60) months because they have been employed by the city for more than twenty-five (25) years; and

**WHEREAS**, an amendment to the city code is necessary to permit such revision; and

**WHEREAS**, an actuarial statement of no impact has been provided to and reviewed by the City Council.

**NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIVIERA BEACH, PALM BEACH COUNTY, FLORIDA as follows:**

**SECTION 1.** That Article II entitled "General Employees" of Chapter 14 entitled "Pensions and Retirement Programs" of the City of Riviera Beach Code of Ordinances is hereby amended by adding new language to Section 14-26, entitled "Optional forms of retirement income" as follows:

**Section 14-26. Optional forms of retirement income.**

\* \* \*

(2) Participation in the DROP.

(A) An eligible member may elect to participate in the DROP for a period not to exceed a maximum of sixty (60) consecutive months ~~nor beyond a total of thirty (30) years of credited service with the city.~~ Any member who has exceeded the sixty (60) month ~~or thirty (30) year~~ limitations shall not be eligible to continue participation in the DROP.

(B) ~~Notwithstanding the thirty (30) year limitation above, any member who has more than twenty five (25) years of credited service on the effective date of the DROP shall be allowed to participate in the DROP for the maximum sixty (60) consecutive months, provided that such member elects to participate in the DROP no later than ninety (90) days after the effective date of this ordinance.~~

\* \* \*

(3) Benefits payable under the DROP

\* \* \*

(D)

(iv) For a DROP participant who fails to terminate city employment at the expiration of the sixty (60) month maximum DROP participation period ~~or the thirty (30) year credited service maximum~~ unless authorized to do so pursuant to sub paragraphs (2)(A) and (2)(B): the member shall be deemed not to be retired, the DROP election

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shall be null and void, and the member shall have no accumulated DROP benefits. Retirement System membership shall be reestablished retroactively to the date of the commencement of the DROP, and the member shall be required to pay to the Retirement System the member contributions as if the participant had continued

service to the city, and the city contributions during the period the member participated in the DROP, plus an interest rate equal to the annual assumed investment return during each year the member participated in the DROP.

**SECTION 2.** It is the intention of the City Council and it is hereby ordained that the provisions of this ordinance shall become effective as of March 1, 2010.

**SECTION 3.** If any word, phrase, clause, subsection or sections of this ordinance is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of any remaining portions of this ordinance.

**SECTION 4.** That all sections or parts of sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith, be and the same are hereby repealed to the extent of such conflict.

**SECTION 5.** Specific authority is hereby granted to codify of this ordinance.

**PASSED AND APPROVED** on first reading this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

**PASSED AND ADOPTED** on second and final reading this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

ORDINANCE NO. \_\_\_\_\_  
PAGE 4

APPROVED:

\_\_\_\_\_  
THOMAS A. MASTERS  
MAYOR

\_\_\_\_\_  
DAWN S. PARDO  
CHAIRPERSON

MUNICIPAL SEAL

\_\_\_\_\_  
JUDY L. DAVIS  
CHAIR PRO TEM

ATTEST:

\_\_\_\_\_  
BILLIE BROOKS  
COUNCIL PERSON

\_\_\_\_\_  
CARRIE E. WARD  
MASTER MUNICIPAL CLERK  
CITY CLERK

\_\_\_\_\_  
CEDRIC A. THOMAS  
COUNCIL PERSON

\_\_\_\_\_  
SHELBY LOWE  
COUNCIL PERSON

ORDINANCE NO. \_\_\_\_\_  
PAGE -5-

**1<sup>st</sup> READING**

**2<sup>nd</sup> & FINAL READING**

MOTIONED BY: \_\_\_\_\_

MOTIONED BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

D. PARDO \_\_\_\_\_

D. PARDO \_\_\_\_\_

J. DAVIS \_\_\_\_\_

J. DAVIS \_\_\_\_\_

B. BROOKS \_\_\_\_\_

B. BROOKS \_\_\_\_\_

C. THOMAS \_\_\_\_\_

C. THOMAS \_\_\_\_\_

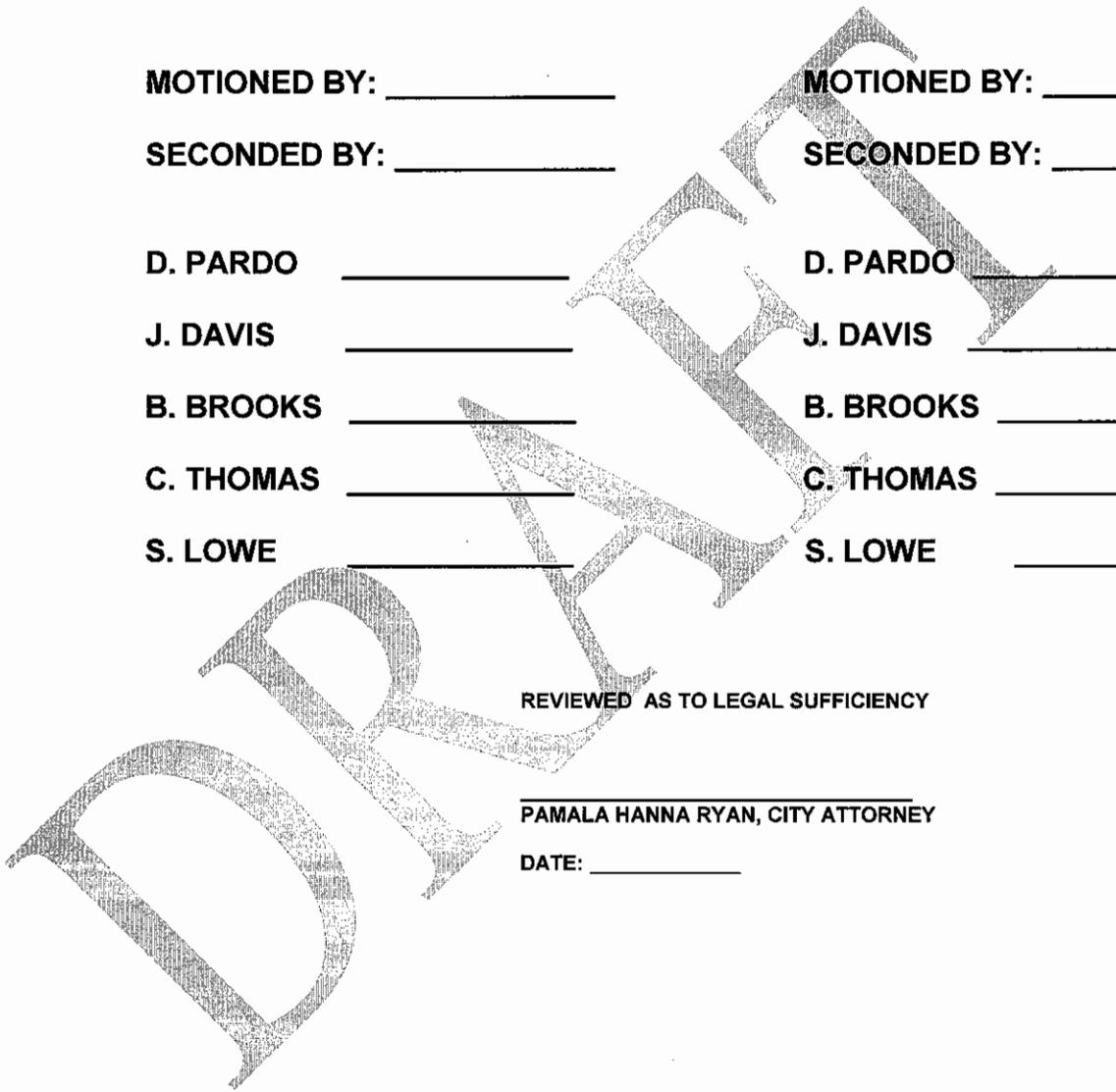
S. LOWE \_\_\_\_\_

S. LOWE \_\_\_\_\_

REVIEWED AS TO LEGAL SUFFICIENCY

\_\_\_\_\_  
PAMALA HANNA RYAN, CITY ATTORNEY

DATE: \_\_\_\_\_



ORDINANCE NO. \_\_\_\_\_  
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**CERTIFICATION OF PUBLICATION**

I hereby certify that notice of the proposed enactment of this ordinance was duly published in a newspaper of general circulation within the City of Riviera Beach as required by the applicable Florida Statutes.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Carrie E. Ward, Master Municipal Clerk  
City Clerk

**DRAFT**

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF RIVIERA BEACH, PALM BEACH COUNTY, FLORIDA, AMENDING ARTICLE II ENTITLED "GENERAL EMPLOYEES", CHAPTER 14 ENTITLED "PENSIONS AND RETIREMENT PROGRAMS" BY REVISING SECTION 14-24 ENTITLED "RETIREMENT BENEFITS", OF THE CODE OF ORDINANCES OF THE CITY OF RIVIERA BEACH RELATING TO THE RETIREMENT SYSTEM FOR GENERAL EMPLOYEES BY PROVIDING FOR A \$700 MINIMUM BENEFIT FOR RETIREES; PROVIDING FOR CONFLICTS, SEVERABILITY AND CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the Administration Board of the General Employees Retirement System has recommended and approved the amendment to the existing Code to provide improved benefits for participants of the plan; and

**WHEREAS**, the City deems it to be in the public interest to provide an updated retirement system for its employees;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIVIERA BEACH AS FOLLOWS:**

**SECTION 1.** Section 14-24 of Article II, Chapter 14 of the Riviera Beach Code is hereby amended by deleting the stricken through language and adding the following underlined language as follows:

Sec. 14-24. Retirement benefits.

(a) *Normal retirement benefit.*

(1) *Amount.* The monthly retirement benefit shall be an amount equal to three percent of the average monthly earnings as defined in section 14-21 for each year of service; provided, however, that no member shall be entitled to accrue a retirement benefit greater than 70 percent of average monthly earnings in any event. No benefit shall be payable for any period of time during which an eligible employee has failed to elect and apply for coverage under the plan.

(2) *Duration, survivor benefits.* A member retiring hereunder on his normal retirement date shall receive a monthly benefit which shall commence on his normal retirement date and be continued thereafter during his lifetime.

(3) *Minimum normal retirement benefit.* As regards any participant under the city general employees' pension plan as of the date of adoption of this system, the normal retirement benefit shall not in any event be less than the normal retirement benefit would have been had the prior plan continued in existence. Effective October 1, 2010 the minimum monthly benefit payable to a retiree of this retirement system shall be seven hundred dollars (\$700.00); any monthly benefit that is less than this stated amount shall be increased to such monthly amount effective said date.

**SECTION 2.** It is the intention of the City Council and it is hereby ordained that the provisions of this ordinance shall become and be made a part of the Code of Ordinances of the City of Riviera Beach, and the section of this ordinance may be renumbered to accomplish such intentions.

**SECTION 3.** If any word, phrase, clause, subsection or section of this ordinance is for any reason held unconstitutional or invalid, the validity thereof shall not affect the validity of any remaining portions of this ordinance.

**SECTION 4.** That all sections or parts of sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith, be and the same are hereby repealed to the extent of such conflict.

**SECTION 5.** Specific authority is hereby granted to codify this ordinance.

**SECTION 6.** This ordinance shall be in full force and effective immediately upon its final passage and adoption.

**PASSED AND APPROVED** on first reading this \_\_\_\_ day of \_\_\_\_\_, 2010.

**PASSED AND ADOPTED** on second and final reading this \_\_\_\_ day of \_\_\_\_\_, 2010.

ORDINANCE NO. \_\_\_\_\_  
PAGE - 3

APPROVED:

\_\_\_\_\_  
THOMAS A. MASTERS  
MAYOR

\_\_\_\_\_  
DAWN S. PARDO  
CHAIRPERSON

ATTEST:

\_\_\_\_\_  
CARRIE E. WARD  
MASTER MUNICIPAL CLERK  
CITY CLERK

\_\_\_\_\_  
JUDY L. DAVIS  
CHAIR PRO TEM

\_\_\_\_\_  
BILLIE E. BROOKS  
COUNCILPERSON

\_\_\_\_\_  
CEDRICK A. THOMAS  
COUNCILPERSON

\_\_\_\_\_  
SHELBY L. LOWE  
COUNCILPERSON

DRAFT

ORDINANCE NO. \_\_\_\_\_  
PAGE -4-

**1<sup>st</sup> READING**

MOTIONED BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

D. PARDO \_\_\_\_\_

J. DAVIS \_\_\_\_\_

B. BROOKS \_\_\_\_\_

C. THOMAS \_\_\_\_\_

S. LOWE \_\_\_\_\_

**2<sup>nd</sup> READING**

MOTIONED BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

D. PARDO \_\_\_\_\_

J. DAVIS \_\_\_\_\_

B. BROOKS \_\_\_\_\_

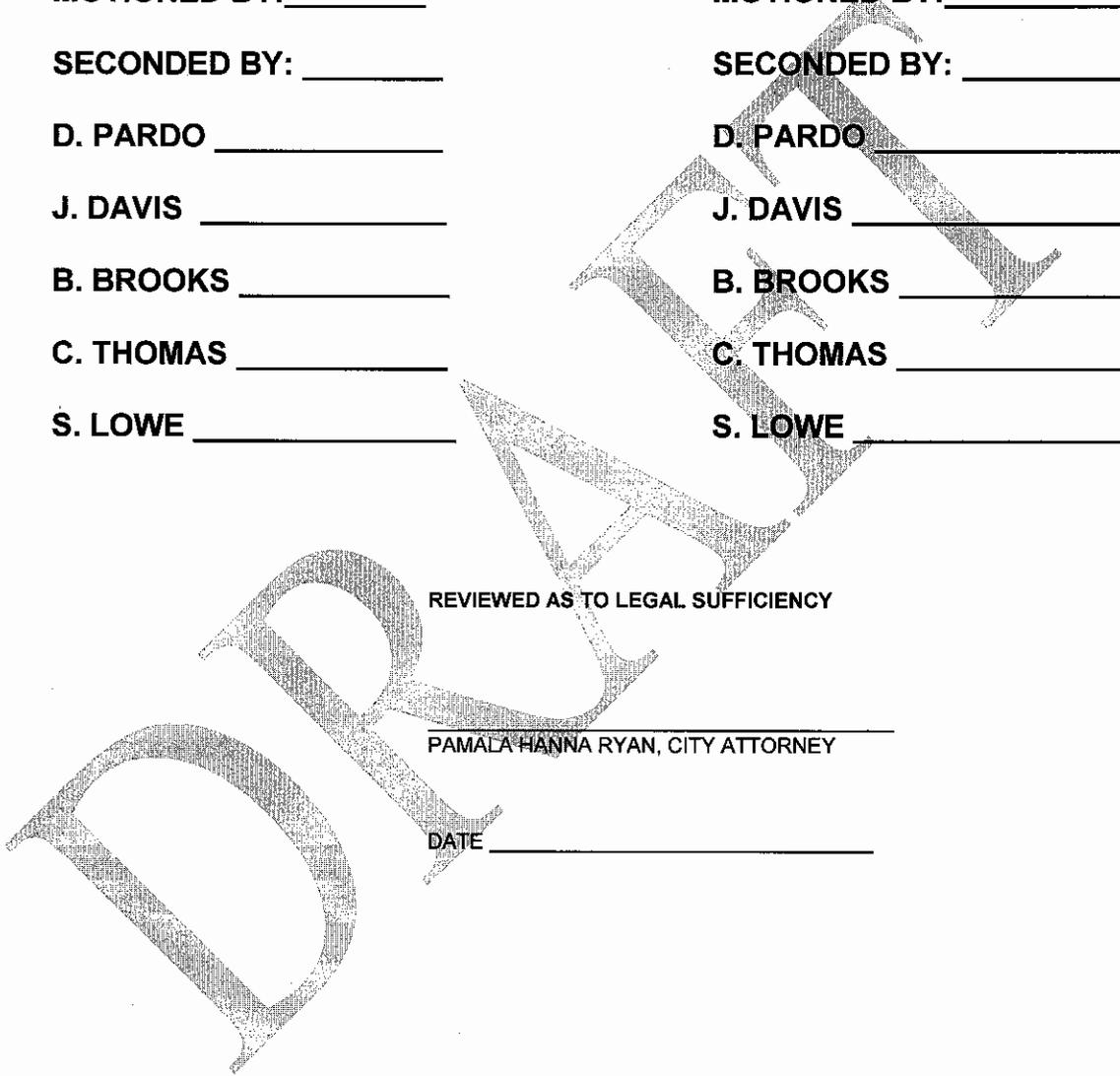
C. THOMAS \_\_\_\_\_

S. LOWE \_\_\_\_\_

REVIEWED AS TO LEGAL SUFFICIENCY

\_\_\_\_\_  
PAMALA HANNA RYAN, CITY ATTORNEY

DATE \_\_\_\_\_



ORDINANCE NO. \_\_\_\_\_  
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**CERTIFICATION OF PUBLICATION**

I hereby certify that notice of the proposed enactment of this ordinance was duly published in a Newspaper of general circulation within the City of Riviera Beach as required by the applicable Florida Statutes.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Carrie E. Ward, Master Municipal Clerk  
City Clerk

**DRAFT**

**City of Riviera Beach General Employees' Retirement System**

**Pensioners with Monthly Benefits under \$700**

<b>Name</b>	<b>Status</b>	<b>Date of Retirement</b>	<b>Monthly Benefit Amount</b>	<b>Form of Payment</b>
<del>ATKINS, BARBARA X X</del>	<del>Beneficiary</del>	<del>11/1/1983</del>	<del>\$ 623.43</del>	<del>LA</del>
BREN, BERNARD	Retiree	10/1/2004	454.24	100% J&S
<del>BROWN, ALTO X X</del>	<del>Beneficiary</del>	<del>8/1/1986</del>	<del>531.35</del>	<del>LA</del>
CZARNIAK EC X	Retiree	4/1/1988	536.42	100% J&S
DAVIS L JR	Retiree	4/1/1991	417.35	LA
DEMPSEY WH	Retiree	5/1/1993	537.28	LA
GAMASH JB	Retiree	11/1/1996	242.61	50% J&S
HENDRICKSON, RALPH	Retiree	9/1/2002	531.49	100% J&S
<del>HODGES B X X</del>	<del>Beneficiary</del>	<del>1/1/1995</del>	<del>359.57</del>	<del>LA</del>
JAMES A	Retiree	4/1/1990	544.59	10 C&L
<del>JOHNSON L X X</del>	<del>Beneficiary</del>	<del>1/1/1986</del>	<del>449.03</del>	<del>LA</del>
KNOWLES D	Retiree	4/1/1995	333.28	LA
LANGLOIS D	Retiree	9/1/1989	526.42	10 C&L
<del>MANN, ELIZABETH X X</del>	<del>Beneficiary</del>	<del>9/1/2003</del>	<del>174.99</del>	<del>LA</del>
MCAFEE, MCKINLEY	Retiree	7/1/2003	296.00	LA
MESSER RL	Retiree	4/1/1987	173.70	75% J&S
MORGAN BL	Retiree	5/1/1996	536.31	LA
MORGAN I	Retiree	1/1/1978	166.68	LA
PARKS R	Retiree	8/1/1978	493.70	10 C&L
<del>RILEY, EMMA JANE X X</del>	<del>Beneficiary</del>	<del>4/1/1989</del>	<del>468.49</del>	<del>LA</del>
SELLERS K	Retiree	3/1/1999	652.38	LA
SKARIN O	Retiree	5/1/1986	671.25	50% J&S
TAYLOR W X	Retiree	3/1/1999	519.48	50% J&S
WILLIAMS CE X	Retiree	5/1/1983	360.51	10 C&L
WOOD GW X	Retiree	2/1/1982	589.06	100% J&S

**Count = 25 PRIOR TO CHANGE.**

**X DECEASED**

**XX BENEFICIARY**

**COUNT =15 AFTER CHANGE**