

M E M O R A N D U M

Date: January 29, 2013

TO: Town Commission
FROM: Dave Bullock, Town Manager
SUBJECT: Resolution 2013-06, Budget Transfer in the Amount of \$20,580 for Pete Cumming's Town Contribution-401a

At the September 4, 2012 Special Workshop Meeting the Town Commission discussed the option of the recently appointed Police Chief (Pete Cumming) to opt-out of the pension plan. Chief Cumming subsequently decided to opt-out.

When the last two directors that were promoted chose to opt-out of the defined benefit plan, they were given an amount equal to 16% of their salary from their date of hire. Because of the 16% contribution provided, the individual contributions to the defined benefit plan remained in the plan.

Chief Cumming has contributed 10% of his salary to the Police Officers' Retirement System (PORS) from his date of hire (03-31-08) to 10-06-12. From 10-06-12 onward, the Town has been contributing 16% to a 401a retirement account set up for Chief Cumming.

In keeping with past practices, Chief Cumming would receive 16% (\$57,724.38) of his salary from his date of hire until 10-06-12 deposited into a 401a account and forfeit his contributions to the PORS. I would like to propose that we transfer Chief Cumming's 10% (\$35,021.18) contribution from the PORS to his 401a account leaving a balance of 6% (\$22,703.20) to be put in by the Town. There are currently available funds in the amount of \$2,123.42 in the fiscal year 2011-12 budget. A budget transfer in the amount of \$20,580 will be required to make this contribution. Resolution 2013-06 is attached in the event the Commission elects to formalize that action.

I am requesting that the Town Commission pass Resolution 2013-06, providing for a transfer of funds in fiscal year 2011-12 from the account, listed below, in the police department budget to the police department 401a account for Pete Cumming.

The line items below with surplus funds are directly related to staff vacancies including Pete Cumming's captain position.

The account numbers in the proposed transfer are listed below.

<u>Transfer From:</u>	Wages / Regular	001.1900.521.1201	\$20,580
<u>Transfer To:</u>	Town Contribution 401A	001.1900.521.2204	\$20,580

Section 9 of the Town Charter states that *upon written request by the town manager, the town commission may authorize transfers of larger amounts [that exceed the Town Manager's authority] or unencumbered appropriations among programs within a department, office or agency.*

Please contact me if you have any questions.

RESOLUTION 2013-06

A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, AMENDING THE FISCAL YEAR 2011-2012 BUDGET BY TRANSFERRING BUDGETED FUNDS FROM POLICE DEPARTMENT REGULAR WAGES ACCOUNT TO POLICE DEPARTMENT TOWN CONTRIBUTION DEFERRED COMPENSATION ACCOUNT 401(A) IN THE AMOUNT OF \$20,580 FOR POLICE CHIEF CUMMING OPTING OUT OF THE POLICE OFFICERS' RETIREMENT SYSTEM; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Pete Cumming was appointed Police Chief by the Town Manager on September 7, 2012; and,

WHEREAS, Chief Cumming has requested to opt out of the Police Officers' Retirement System and participate in a defined contribution plan 401(A); and,

WHEREAS, the total amount of \$57,724.38, represents 16 percent of Chief Cumming's salary, from his hire date of March 31, 2008, until October 6, 2012 at which time the Town began contributing 16 percent of his salary to a 401(A) account; and,

WHEREAS, the Town Manager requests that the prior contributions in the amount of \$35,021.18 to the Police Officers' Retirement System made by Chief Cumming be transferred to his ICMA 401(A) account; and,

WHEREAS, the amount remaining of 16 percent of Chief Cumming's salary from the period referenced above is \$22,703.20 and will be contributed by the Town to Chief Cumming's ICMA 401(A) account; and,

WHEREAS, the balance in the Police Department line item account 001.1900.521.2204 Town Contribution Deferred Compensation is \$2,123.42 which is insufficient for this expenditure; and,

WHEREAS, there are funds available in the Police Department Regular Wages line item 001.1900.521.1201 due to staff vacancies including Chief Cumming's captain position; and,

WHEREAS, a budget transfer in the amount of \$20,580 must occur from the Police Department Regular Wages account to the Police Department Town Contribution Deferred Compensation 401(A) account; and,

WHEREAS, the Town of Longboat Key, Town Charter, Article V, Section 9(d) provides for such action.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF LONGBOAT KEY, FLORIDA, THAT:

SECTION 1. The above Whereas clauses are true and correct and are hereby ratified and confirmed.

SECTION 2. The Town Commission hereby transfers Twenty Thousand, Five Hundred Eighty and 00/100 Dollars (\$20,580) from account 001.1900.521.1201, Police Department Regular Wages; to the Police Department, Town Contribution Deferred Compensation - 401A, account 001.1900.521.2204 in the Fiscal Year 2011-2012 budget.

SECTION 3. Effective Date. This Resolution shall become effective immediately upon adoption.

Passed by the Town Commission of the Town of Longboat Key on the _____ day of _____ 2013.

James L Brown, Mayor

ATTEST:

Trish Granger, Town Clerk



End of Agenda Item