Regular Workshop – May 20, 2013
Agenda Item 12

Agenda Item:	Proposed Ordinance 2013-15, Amending Chapter 34, Employment Policies
Presenter:	Town Manager
Summary:	Proposed Ordinance 2013-15, provides for a freeze of the General Employees' Retirement System defined benefit plan effective September 30, 2013. Current and future employees will be enrolled in a Defined Contribution Plan administered by ICMA.
Attachments:	5-14-13 Memo, Manager to Commission; Proposed Ordinance 2013-15.
Recommended Action:	Pending discussion, forward to May 20, 2013 Special Meeting for first reading.

M E M O R A N D U M

Date: May 14, 2013

TO: Town Commission

FROM: Dave Bullock, Town Manager

SUBJECT: Proposed Ordinance 2013-15, Amending Chapter 34, Employment Policies

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The Town Commission provided direction to take actions necessary to freeze the General Employees' Retirement System defined benefit plan effective September 30, 2013.

Current and future employees would enter into a defined contribution plan administered by ICMA.

Proposed Ordinance 2013-15, provides for freezing the current defined benefit plan as of September 30, 2013.

Please don't hesitate to contact me if you have any questions.

ORDINANCE 2013-15

AN ORDINANCE OF THE TOWN OF LONGBOAT KEY, AMENDING CHAPTER 34, EMPLOYMENT POLICIES, OF THE CODE OF ORDINANCES OF THE TOWN OF LONGBOAT KEY, FLORIDA; IMPLEMENTING CHANGES TO THE GENERAL EMPLOYEES' RETIREMENT SYSTEM; CREATING A NEW SECTION 34.72, PLAN FREEZE AND PARTICIPATION IN DEFINED CONTRIBUTION PLAN; PROVIDING FOR SEVERABILITY; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF LONGBOAT KEY, FLORIDA THAT:

SECTION 1. A new section 34.72, Plan freeze and participation in defined contribution plan, is created to read as follows:

34.72 Plan freeze and participation in defined contribution plan

Notwithstanding any other provision of the System:

(A) The accrued benefits of all members of this System who are employed and not participating in the DROP on September 30, 2013 shall be frozen on that date. All such members with 5 or more years of credited service as of September 30, 2013 shall be fully vested in their frozen accrued benefit, based on their length of service and the vesting schedule set forth in section 34.80. The value of each member's frozen accrued benefit shall be calculated in accordance with the provisions of the System in effect on September 30, 2013, based on the member's credited service, vesting percentage and average final compensation on that date. The frozen accrued benefit shall be payable to the member upon termination of Town employment and attaining age 55 with 30 years of credited service or age 62 regardless of years of credited service, whichever occurs first. In applying the preceding sentence, credited service shall include all credited service as a member of this System prior to October 1, 2013, and all periods of employment with the Town of Longboat Key on and after October 1, 2013. For the purpose of determining a member's frozen accrued benefit in accordance with this subsection (A), salary shall include any payments of accrued leave that do not exceed the member's accrued leave balance as of July 1, 2011, and that would have been included in the member's salary if the member retired prior to October 1, 2013. However, the member's accrued leave balance as of July 1, 2011 shall be reduced by the amount of vacation or sick leave used after that date, and the member's frozen accrued benefit shall be adjusted accordingly.

(B) No benefits shall be accrued under this System on or after October 1, 2013, and no member contributions to this System shall be required on or after that date. The Board shall continue to administer the System in accordance with sections 34.73 through 34.98, as modified by this section 34.72, until all accrued benefits have been paid to all eligible members and beneficiaries.

(C) Any member of this System who is employed on September 30, 2013 and has less than 5 years of credited service on that date shall receive a refund of their accumulated contributions. Any member of this System who is employed on

September 30, 2013 and has 5 or more but less than 10 years of credited service on that date may elect to receive a refund of their accumulated contributions or the actuarial present value of their frozen accrued benefit, in lieu of any other benefit under the System.

(D) Effective October 1, 2013, all current and future general employees of the Town of Longboat Key shall participate in a defined contribution retirement plan established by the Town of Longboat Key, and shall be eligible for benefits and make contributions to the defined contribution plan for all service as a general employee with the Town on and after that date, in accordance with the defined contribution plan, as it may be amended from time to time.

(E) Members of this System who retired, entered the DROP or terminated Town employment with the right to a deferred vested benefit prior to October 1, 2013 shall be entitled to receive benefits from the System in accordance with the provisions of the System in effect on the date of their retirement, DROP entry, or termination of employment.

SECTION 2. All Ordinances or parts of Ordinances in conflict herewith shall be and the same are hereby repealed.

SECTION 3. If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrase under application shall not be affected thereby.

SECTION 4. This Ordinance shall take effect upon second reading and adoption, except as otherwise specifically provided herein.

Passed on first reading the _____ day of _____, 2013.

Adopted on second reading and public hearing the _____ day of _____, 2013.

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James L. Brown, Mayor

ATTEST:

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Trish Granger, Town Clerk