

ORDINANCE NO. 2017-081

ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA AMENDING CHAPTER 70 ENTITLED "RETIREMENT AND PENSION", ARTICLE IV. EMPLOYEES GENERAL RETIREMENT SYSTEM, DIVISION 4, MEMBERSHIP, IN PARTICULAR REVISING § 70-208 ENTITLED "PURCHASE OF MEMBERSHIP SERVICE CREDIT TIME", REVISING § 70-210 ENTITLED "MEMBER CONTRIBUTIONS TO RETIREMENT PLAN"; AND DIVISION 5, BENEFITS, IN PARTICULAR REVISING §70-237 ENTITLED "REEMPLOYMENT", REVISING § 70-238 ENTITLED "SERVICE RETIREMENT ALLOWANCE"; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR PENALTIES HEREOF; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR A SEVERABILITY CLAUSE AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Hialeah and the American Federation of State, County and Municipal Employees recently ratified a collective bargaining agreement for a term beginning on October 1, 2017 and ending on September 30, 2020; and

WHEREAS, the collective bargaining agreement contains certain changes to the City of Hialeah Employees' Retirement System; and

WHEREAS, to implement the changes to the Retirement System it is necessary to adopt an ordinance amending said Retirement System; and

WHEREAS, the City has presented this ordinance to the Board of Trustees of the Retirement System for its review.

NOW, THEREFORE BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, THAT:

Section 1: Chapter 70 entitled "Retirement and Pensions", Article IV. Employees General Retirement System, Division 4, Membership, of the Code of Ordinances of the City of Hialeah, Florida is hereby amended, by revising Hialeah Code § 70-208 entitled "Purchase of membership service credit time", and § 70-210 entitled "Member contributions to retirement plan", to read as follows:

Chapter 70

RETIREMENT AND PENSIONS

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**ARTICLE IV. EMPLOYEES GENERAL
RETIREMENT SYSTEM**

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DIVISION 4. MEMBERSHIP

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Sec. 70-208. - Purchase of membership service credit time.

A member of the retirement system shall be permitted to purchase up to a maximum of four years of membership credit service time. The cost to buy the time shall be paid totally by the employee. The retirement board's actuary shall provide the city with the appropriate tables to ensure no cost to the retirement system or the city. Effective December 1, 2017, general employee members with less than 16 years of actual service with the city (excluding any service credit purchased pursuant to this section) and 62 points on that date shall be prohibited from purchasing membership credit service time. Effective December 1, 2017 for general employee members, the purchase of membership credit service time pursuant to this section shall be irrevocable, and any such member who has purchased membership credit service time shall be prohibited from selling such service time back to the retirement plan.

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Sec. 70-210. Member contributions to retirement plan.

(a) All members who are not police officer members or firefighter members shall make contributions to the retirement plan as follows:

(1) Effective May 15, 2014 through September 30, 2014, members shall contribute five percent of compensation to the retirement plan. Effective October 1, 2014 through [effective date of ordinance]~~and thereafter~~, members shall contribute four percent of

compensation to the retirement plan. If the retirement plan funding level as reported in the actuarial valuation, exceeds 80 percent, effective the month next following the actuarial valuation in which the funding level was reported, members shall contribute three percent of compensation to the retirement plan. If the retirement plan funding level as reported in the actuarial valuation, exceeds 100 percent, effective the month next following the actuarial valuation in which the funding level was reported, no member contribution shall be required.

(2) Effective [effective date of ordinance], members shall contribute nine percent of compensation to the retirement plan, except as otherwise provided in paragraph (3) below.

(3) Notwithstanding paragraphs (1) and (2) above, members who are eligible for full retirement benefits as of May 14, 2014 (i.e., members who have 20 years of civil service and 70 points when age plus years of civil service are combined) shall not be required to contribute to the retirement plan before [effective date of ordinance]. However, such members shall be required to contribute five percent of compensation to the retirement plan effective [effective date of ordinance].

(4) Members shall be provided a contribution election form each year in which to elect one of the following contribution options:

a. Members may deduct the applicable retirement plan contribution from the member's annuity contribution and receive the remainder as compensation.

b. Members may deduct the applicable retirement plan contribution from the member's annuity contribution and contribute the remainder to the member's annuity account.

c. Members may make both the annuity contribution and the applicable retirement plan contribution.

d. Members may deduct a portion of the applicable retirement plan contribution from the member's annuity contribution and a portion of the applicable retirement plan contribution from the member's compensation.

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Section 2: Chapter 70 entitled "Retirement and Pensions", Article IV.

Employees General Retirement System, Division 5, Benefits, of the Code of Ordinances of the

City of Hialeah, Florida is hereby amended, by revising Hialeah Code § 70-237 entitled “Reemployment” and § 70-238 entitled “Service retirement allowance”, to read as follows:

Chapter 70

RETIREMENT AND PENSIONS

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**ARTICLE IV. EMPLOYEES GENERAL
RETIREMENT SYSTEM**

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DIVISION 5. BENEFITS

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Sec. 70-237. - Reemployment.

No person who shall have been retired from the city service under this retirement plan shall be eligible for reemployment by the city while receiving benefits from the retirement system, except that this shall not prohibit such person from holding public office and receiving the salary therefrom and except under the following limited circumstances: Where there is a documented operational necessity involving life safety concerns, the city may reemploy a retiree to perform the duties of a public safety communications officer, without affecting the employee's retirement benefits, as a contract employee, after a six month ~~one year~~ of separation from service with the city, for up to 30 hours a week. Notwithstanding any other provision of this section, retired building, zoning and fire safety inspectors, and plans examiners may be reemployed by the city after a 6 month separation from city employment, without affecting the person's retirement benefits. Such reemployed employees shall not be eligible to participate in a city sponsored retirement plan other than a deferred compensation plan funded entirely with voluntary employee contributions.

Sec. 70-238. Service retirement allowance.

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(h) Notwithstanding any other provision of the retirement plan, the accrued benefits of all members other than police officer members and firefighter members, and except as otherwise provided in subsection (j) below, shall be frozen on December 1, 2017, as provided herein. The frozen accrued benefit of each member who is employed and not participating in the DROP on December 1, 2017 shall be calculated based on the retirement plan provisions in effect on November 30, 2017, and each member's credited service and average final compensation on that date. All such members shall be 100% vested in the frozen accrued benefit earned prior to December 1, 2017, and shall be eligible to receive the frozen accrued benefit upon reaching the normal retirement date in effect prior to December 1, 2017 (the date on which a member's age plus years of credited service is equal to at least 70 and the member has at least 20 years of credited service), and the member separates from City employment, or upon reaching eligibility for retirement in accordance with section 70-239. Such members shall accrue benefits on and after December 1, 2017 in accordance with subsection (i) below. Members who are employed, not participating in the DROP, and do not have at least 16 years of actual service with the city and 62 points on December 1, 2017, shall be eligible for a retirement benefit in two parts: (1) the frozen accrued benefit based on the member's credited service and the retirement plan provisions in effect on November 30, 2017, payable as provided above; and (2) the accrued benefit based on credited service and the retirement plan provisions in effect on and after December 1, 2017, payable upon separation from City employment on or after age 62 with 20 or more years of credited service.

(i) Notwithstanding any other provision of the retirement plan, members other than police officer members and firefighter members, and except as otherwise provided in subsection (j) below, shall accrue benefits on and after December 1, 2017 in accordance with the provisions of the retirement plan in effect before December 1, 2017, except as follows:

1. The benefit multiplier shall be 2.0% for credited service earned on and after December 1, 2017, and the 1.5% additional benefit multiplier for service after 25 years shall be eliminated.

2. The maximum benefit at retirement shall be 75% of average final compensation, and shall apply to benefits earned before and after [effective date of the ordinance].

3. Average final compensation shall be the average of the highest annual compensation received by a member during the highest 8 years of credited service; provided, in no event shall a member's average final compensation be less than the highest 3 year average as of December 1, 2017.

4. The normal retirement date shall be age 62 with 20 years of credited service.

5. Compensation shall be base pay only. All other types of compensation shall be excluded for retirement purposes.

6. There shall be no cost of living adjustment on benefits based on credited service earned on or after December 1, 2017.

7. Members shall not be eligible to purchase additional credited service pursuant to section 70-208 on or after December 1, 2017.

8. Members shall become vested in the benefit based on credited service earned on or after December 1, 2017 upon reaching age 55 with 10 or more years of credited service while employed by the city. A member who reaches age 55 with 10 years of service is 70% vested. The vesting percentage will increase by 3% for each additional year of service after 10 years, up to 20 years of service. After completing 20 years of service, a member is 100% vested. However, a vested member who separates from city employment before age 62 is not eligible to receive a benefit based on credited service on and after December 1, 2017 until age 62. Members who do not attain age 55 with 10 years of credited service while employed by the city shall not be eligible for a benefit from the retirement plan based on their credited service on and after December 1, 2017, but shall receive a refund of their member contributions to the retirement plan made on or after December 1, 2017.

(j) The provisions of subsections (h) and (i) above shall not apply to any general employee member who reached normal retirement eligibility before December 1, 2017; nor shall such provisions apply to any general employee member who has at least 16 years of actual service with the city (excluding any service credit purchased pursuant to section 70-208) and has at least 62 points on December 1, 2017, except that the benefit multiplier shall be 3% for the first 20 years of service, and 2.0% after completion of 20 years of service, subject to a 75% maximum benefit

multiplier. However, a member who has at least 16 years of actual service with the city and 62 points on December 1, 2017 and has more than 20 years of credited service on that date, shall be credited with the 3% benefit multiplier for all years of credited service earned before December 1, 2017, and the benefit multiplier will be 2.0% for credited service earned on and after December 1, 2017, up to the 75% maximum benefit multiplier.

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Section 3: Repeal of Ordinances in Conflict.

All ordinance or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

Section 4: Penalties.

Every person convicted of a violation of any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof shall be punished by a civil penalty not to exceed \$500.00 within the discretion of the court or administrative tribunal having jurisdiction. Each act of violation and each day upon which any such violation shall occur shall constitute a separate offense. In addition to the penalty prescribed above, the City may pursue other remedies such as abatement of nuisance, injunctive relief, administrative adjudication and revocation of licenses or permits.

Section 5: Inclusion in Code.

The provisions of this ordinance shall be included and incorporated in the Code of Ordinances of the City of Hialeah, as an addition or amendment thereto, and the sections of this ordinance shall be renumbered to conform to the uniform numbering system of the Code.

Section 6: Severability Clause.

If any phrase, clause, sentence, paragraph or section of this ordinance shall be declared invalid or unconstitutional by the judgment or decree of a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this ordinance.

Section 7: Effective Date.

This ordinance shall become effective when passed by the City Council and signed by the Mayor or at the next regularly scheduled City Council meeting, if the Mayor's signature is withheld or if the City Council overrides the Mayor's veto.

PASSED AND ADOPTED this 28 day of November, 2017.

THE FOREGOING ORDINANCE
OF THE CITY OF HIALEAH WAS
PUBLISHED IN ACCORDANCE
WITH THE PROVISIONS OF
FLORIDA STATUTE 166.041
PRIOR TO FINAL READING.



Vivian Casals-Muñoz
Council President

Attest:

Approved on this 30 day of November, 2017.

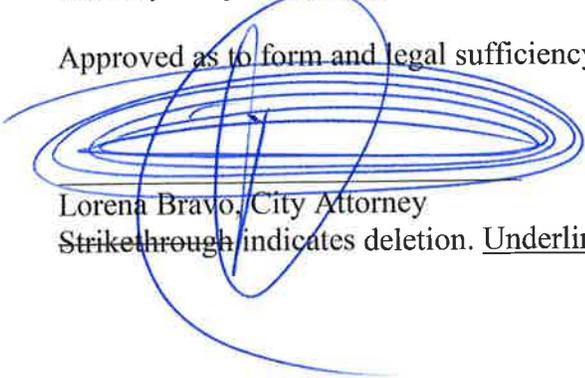


Marbelys Fatjo, City Clerk



Mayor Carlos Hernandez

Approved as to form and legal sufficiency:



Lorena Bravo, City Attorney

~~Strike through~~ indicates deletion. Underline indicates addition.

Ordinance was adopted by a (5-0-2) vote with Councilmembers, Caragol, Zogby, Cue-Fuente and Casals-Muñoz voting "Yes". Councilmember Hernandez and Garcia-Martinez absent.