ORDINANCE NO. 12-26

ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA AMENDING CHAPTER 70 ENTITLED "RETIREMENT AND PENSIONS", ARTICLE IV. EMPLOYEES GENERAL RETIREMENT SYSTEM, DIVISION 7. DEFERRED RETIREMENT OPTION PROGRAM (DROP) OF THE CODE OF ORDINANCES, AND IN PARTICULAR, RENUMBERING HIALEAH CODE § 70-261 ENTITLED "ELIGIBILITY" TO HIALEAH CODE § 70-260 AND ADDING HIALEAH CODE § 70-261 ENTITLED "CLOSURE FOR GENERAL EMPLOYEES" TO CLOSE OR TERMINATE THE DROP FOR GENERAL EMPLOYEES AS OF APRIL 2, 2012, ALTHOUGH PERMITTING GENERAL EMPLOYEES CURRENTLY ENROLLED IN THE DROP AS OF APRIL 1, 2012 TO CONTINUE THEIR PARTICIPATION; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING PENALTIES FOR VIOLATION HEREOF; PROVIDING FOR INCLUSION IN CODE; PROVIDING FOR A SEVERABILITY CLAUSE AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to Hialeah, Fla., Resolution 12-33 (Mar. 13, 2012), the City Council approved the ratified Collective Bargaining Agreement between the City and the Hialeah Civil Service Employees Association, AFSCME, Local 161 ("AFSCME Union") in which the bargaining unit members approved the elimination of the DROP for general employees as of April 2, 2012; and

WHEREAS, the purpose and intent of this ordinance is to amend the Code to (1) eliminate the DROP for general employees as of April 2, 2012; and (2) allow general employees participating in the DROP as of April 1, 2012 to continue their participation; and

WHEREAS, Buck Consultants prepared an actuarial impact statement and concluded that there is no actuarial impact with respect to the adoption of this ordinance; and

WHEREAS, the City 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 7. Deferred Retirement Option Program, of the Code of Ordinances of the City of Hialeah, Florida, is hereby amended to read as follows:

Chapter 70

RETIREMENT AND PENSIONS

* * *

ARTICLE IV. EMPLOYEES GENERAL RETIREMENT SYSTEM

* * *

DIVISION 7. DEFERRED RETIREMENT OPTION PROGRAM (DROP)

Sec. 70-26~~1~~0. Eligibility.

A member of the city's retirement system, except as provided in section 70-261, who is employed by the city may enter into the deferred retirement option program (DROP), on the first day of any month following completion of 25 years of membership service credit, provided that the sum of the member's age and years of service is 70 points or more. The member must have actually worked for at least 25 years of civil service and the member shall not be allowed to buy time in order to be eligible for the DROP. The maximum duration for participation in the DROP shall not exceed 36 months, and participation will end if the employee resigns, dies, or is terminated for good cause prior to completion of the 36-months. Participation in the DROP shall not violate section 70-237(2)(b) of the Hialeah Code.

Sec. 70-261. Closure for general employees.

General employees who are members of the retirement system are prohibited from entering the DROP on or after April 2, 2012. Accordingly, the DROP is closed to general employees as of April 2, 2012. General employees who are participating in the DROP as of April 1, 2012 may continue participation in the DROP for the maximum duration, if such general employees so elect.

* * *

Section 2: Repeal of Ordinances in Conflict.

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

Section 3: Penalties.

Every person violating any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof shall be assessed 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 4: 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, as appropriate, to conform to the uniform numbering system of the Code.

Section 5: 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 6: 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. The provisions of the ordinance shall become effective retroactively to April 2, 2012.

PASSED AND ADOPTED this 22nd day of May, 2012.

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

Isis Garcia-Martinez
Council President

Attest:

Approved on this 24 day of May, 2012.

David Concepcion, City Clerk

Mayor Carlos Hernandez

Approved as to form and legal sufficiency:

William M. Grodnick, City Attorney

~~Strikethrough~~ indicates deletion. Underline indicates addition.

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Ordinance was adopted by a unanimous vote with Councilmembers, Caragol, Casals-Muñoz, Cue-Fuente, Garcia-Martinez, Gonzalez, Hernandez and Lozano voting "Yes".

buckconsultants A Xerox Company

April 16, 2012

Ms. Vivian Parks
Director of Retirement Division
City of Hialeah
501 Palm Avenue
Hialeah, Florida 33010

Actuarial Impact Statement: City of Hialeah Employees' Retirement System – Amendment to Code Sections 70-201, 70-260, and 70-261

Dear Vivian:

We have reviewed the amendments to the Retirement Code Sections 70-201, 70-260, 70-261 and the repeal of Ordinance 10-69 to determine the actuarial impact on the City of Hialeah Employees' Retirement System.

Amendment to Code Section 70-201
The amendment to Code Section 70-201 excludes City employees who are classified as general employees and hired on or after April 1, 2012 from participating in the Retirement System. This provision has no actuarial impact on the Retirement System.

Amendment to Code Sections 70-260 and 70-261
The amendment to Code Sections 70-260 and 70-261 excludes general employees who are members of the Retirement System from entering the DROP on or after April 2, 2012. General employees who became members of the DROP prior to April 2, 2012 are allowed to continue participation in the DROP for the maximum duration. This provision has no actuarial impact on the Retirement System.

Please let me know if you have questions or concerns about this determination.

Sincerely,

Joseph Griffin, A.S.A, E.A., M.A.A.A., F.C.A.
Director, Consulting Actuary

cc: Mr. Alan Voorhees – Board Chairman City of Hialeah Retirement System
Mr. William Grodnick – City of Hialeah
David Campbell – Buck Consultants

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