

**CITY OF MIRAMAR
PROPOSED CITY COMMISSION AGENDA ITEM**

First Reading Date: October 17, 2018

Second Reading Date: November 5, 2018

Presenter's Name and Title: Randy Cross, Interim Human Resources Director

Temp. Ord. Number: 1711

Item Description: **FIRST READING** of Temp. Ord. #O1711, Amending City Code Chapter 15 "Pensions," Article VI "Management Pension Plan and Trust Fund," Creating Section 15-355(j) of the Management Plan to Permit I-Service Distributions to the City Manager or Interim City Manager as Permitted by the IRS Code and Treasury Regulations (*Randy Cross, Interim Human Resources Director*)

Consent ☐ Resolution ☐ Ordinance ☒ Quasi-Judicial ☐ Public Hearing ☐

Instructions for the Office of the City Clerk:

Public Notice – As required by the Sec. _____ of the City Code and/or Sec. _____, Florida Statutes, public notice for this item was provided as follows: on _____ in a _____ ad in the _____; by the posting the property on _____ and/or by sending mailed notice to property owners within _____ feet of the property on _____ (fill in all that apply)

Special Voting Requirement – As required by Sec. _____, of the City Code and/or Sec. _____, Florida Statutes, approval of this item requires a _____ (unanimous, 4/5ths etc.) vote by the City Commission.

Fiscal Impact: Yes ☐ No ☒

REMARKS:

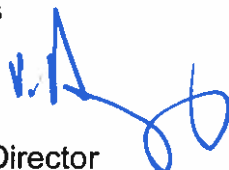
Content:

- Agenda Item Memo from the Interim City Manager to City Commission
- Ordinance TO 1711
 - Attachment 1: - Actuarial Impact Statement



**CITY OF MIRAMAR
INTEROFFICE MEMORANDUM**

TO: Mayor, Vice Mayor, & City Commissioners

FROM: Vernon E. Hargray, Interim City Manager 

BY: Randy Cross, Interim Human Resources Director

DATE: October 11, 2018

RE: FIRST READING of Temp. Ord. No. 1711, Amending City Code Chapter 15 "Pensions," Article VI "Management Pension Plan and Trust Fund," Creating Section 15-355(j) of the Management Plan to Permit I-Service Distributions to the City Manager or Interim City Manager as Permitted by the IRS Code and Treasury Regulations

RECOMMENDATION: The Interim City Manager recommends approval of Temp. Ord. No. 1711, Amending City Code Chapter 15 "Pensions," Article VI "Management Pension Plan and Trust Fund," Creating Section 15-355(j) of the Management Plan to Permit I-Service Distributions to the City Manager or Interim City Manager as Permitted by the IRS Code and Treasury Regulations.

ISSUE: City Commission approval is required to amend the City Code.

BACKGROUND: Chapter 15 "Pensions", Article VI "City Retirement Plan and Trust Fund" of the City of Miramar Code of Ordinances governs the retirement plan and trust fund for management employees (the "Management Retirement Plan"). The Management Retirement Plan currently does not allow for in-service distributions to retirees.

The Interim City Manager's pension distributions have been suspended while he has been employed with the City as Interim City Manager. However, the Interim City Manager now desires to receive his pension distributions while employed by the City.

The Internal Revenue Code permits governmental plans to pay "in-service distributions" to retirees provided that applicable Treasury Regulations are followed. In order to allow for in-service distributions, the City Code has to be amended to provide for such.

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**CITY OF MIRAMAR
MIRAMAR, FLORIDA**

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA, AMENDING CITY CODE CHAPTER 15 “PENSIONS”, ARTICLE VI “SENIOR MANAGEMENT PENSION PLAN AND TRUST FUND,” CREATING SECTION 15-355(j) OF THE MANAGEMENT PLAN TO PERMIT IN-SERVICE DISTRIBUTIONS TO THE CITY MANAGER OR INTERIM CITY MANAGER AS PERMITTED BY THE IRS CODE AND TREASURY REGULATIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Chapter 15 “Pensions”, Article VI “Senior Management Pension Plan and Trust Fund” of the City of Miramar Code of Ordinances governs the retirement plan and trust fund for management employees (the “Management Retirement Plan”);

WHEREAS, the Internal Revenue Code permits governmental plans to pay “in-service distributions” to retirees provided that applicable Treasury Regulations are followed;

WHEREAS, the City Commission deems it to be in the best interest of the City to approve this amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA AS FOLLOWS:

Section 1: The foregoing “**WHEREAS**” clauses are ratified and confirmed as being true and correct and are made a specific part of this Ordinance.

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Section 2: That Section 15-355(j) of the City Code is hereby created to read as follows:

Chapter 15 – Pensions

* * *

Article VI. – Senior Management Pension Plan and Trust Fund

* * *

Sec. 15-355. – Service retirement benefits.

* * *

(i) *Payment of in-service distributions to City Manager or Interim City Manager.*

Notwithstanding any provision to the contrary, in-service distributions are payable to the City Manager or Interim City Manager, as permitted by the Internal Revenue Code and applicable Treasury Regulations. In such event, the City Manager or Interim City Manager will not earn additional service credit in the Plan.

Section 3: All sections or parts of sections of the City Code, 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 4: Should any section or provision of this Ordinance or any paragraph, sentence or word, be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder hereof, as a whole or part hereof, other than the part declared to be invalid.

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Section 5: It is the intention of the City Commission of the City of Miramar that the provisions of this Ordinance shall become and be made a part of the Code of the City of Miramar and that the sections of this Ordinance may be renumbered or re-lettered and the word "Ordinance" may be changed to "Chapter," "Section," "Article," or such other appropriate word or phrase, the use of which shall accomplish the intentions herein expressed.

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Section 6. This Ordinance shall be retroactive to the date of hire of the City or Interim City Manager.

PASSED FIRST READING: _____

PASSED AND ADOPTED ON SECOND READING: _____

Mayor, Wayne M. Messam

Vice Mayor, Yvette Colbourne

ATTEST:

City Clerk, Denise A. Gibbs

I HEREBY CERTIFY that I have approved
this ORDINANCE as to form:

City Attorney
Weiss Serota Helfman
Cole & Bierman, P. L.

Requested by Administration

Commissioner Winston F. Barnes
Commissioner Maxwell B. Chambers
Vice Mayor Yvette Colbourne
Commissioner Darline B. Riggs
Mayor Wayne M. Messam

Voted

Ord. No. _____

October 11, 2018

Ms. Yolanda Shea
Florida Health Administrators, Inc.
FHA Benefit Administrators
6861 SW 196th Ave, Suite 402
Ft. Lauderdale, FL 33332

**Re: City of Miramar Management Retirement Plan
Actuarial Impact Statement**

Dear Yolanda:

We have reviewed the attached proposed ordinance which would allow the payment of in-service distributions for the city manager or interim city manager in the City of Miramar Management Retirement Plan. In our opinion this change will not have an actuarial impact on the cost of the Retirement Plan for advanced funding purposes.

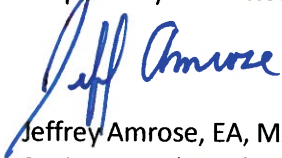
It is our opinion that a formal Actuarial Impact Statement is not required. However, we recommend that you send a copy of this letter and the amendment to the Bureau of Local Retirement Systems.

This letter is intended to describe the financial effect of the proposed plan changes on the Retirement Plan. Potential effects on other benefit plans were not considered.

The undersigned actuary is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The undersigned actuary is independent of the plan sponsor.

We welcome your questions and comments.

Respectfully submitted,



Jeffrey Amrose, EA, MAAA
Senior Consultant & Actuary

This communication shall not be construed to provide tax advice, legal advice or investment advice.

cc: Adam Levinson