

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

**First Reading Date:** November 4, 2020

**Second Reading Date:** November 16, 2020

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

**Prepared By:** Randy Cross, Human Resources Director

**Temp. Ord. Number:** O1756

**Item Description:** FIRST READING OF TEMP ORD. NO. O1756 AUTHORIZING THE CREATION OF THE 2020 FIVE YEAR WORKFORCE REDUCTION / EARLY RETIREMENT INCENTIVE PROGRAM ("ERIP") WITH THE EXPLICIT PURPOSE OF REDUCING THE CITY'S FULL TIME WORKFORCE THROUGH A COMBINATION OF PENSION AND MEDICAL INSURANCE INCENTIVES, PERMANENT ELIMINATION OF THE BUDGETED FULL TIME EQUIVALENT POSITION OF EACH EMPLOYEE THAT MAKES THE IRREVOCABLE ELECTION TO PARTICIPATE IN THE ERIP, REQUIRING THE COORDINATION IN THE FY2021, FY2022, FY2023, FY 2024 AND FY2025 ADOPTED BUDGETS, THE REDUCTION OF POSITIONS AS A RESULT OF THIS PROGRAM, FUNDING FOR THE MEDICAL BENEFIT AND LUMP-SUM DISTRIBUTION OPTIONS OFFERED TO PARTICIPANTS IN THE ERIP, AND THE BUDGETING OF COST SAVINGS PROVIDED AS A RESULT OF THE ERIP; AND PROVIDING FOR SEVERABILITY, AND AN EFFECTIVE DATE.

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 City Manager to City Commission**
- **Attachment(s)**
  - **Exhibit "A": Early Retirement Incentive Program**



**CITY OF MIRAMAR  
INTEROFFICE MEMORANDUM**

**TO:** Mayor, Vice Mayor, & City Commissioners

**FROM:** Vernon E. Hargray, City Manager 

**BY:** Randy Cross, Human Resources Director

**DATE:** October 29, 2020

**RE:** First Reading of Temp. Ordinance. No. 1756, authorizing the creation of the 2020 Five Year Workforce Reduction/Early Retirement Incentive Program

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**RECOMMENDATION:** The City Manager recommends approval of Temp. Ordinance. No. 1756, authorizing the creation of the 2020 Five Year Workforce Reduction/Early Retirement Incentive Program ("ERIP").

**ISSUE:** The City is facing the ongoing challenge of increasing personnel expenses and limited revenues. Since the Great Recession, the City has taken steps to eliminate extraneous operational costs and other expenses to balance the budget each fiscal year. With the onset of COVID-19 and the unprecedented challenges posed by the pandemic, the City's budget concerns have reached a critical level. The City Manager recommends the creation of the ERIP to incentivize employees to retire from City service and fund the costs of the incentives through the elimination of the budgeted Full Time Equivalent ("FTE") of each employee that participates in the program. This Ordinance requires the coordination between the annual budget process and the pension portion of the ERIP, which was reviewed and approved by the City's Management, General Employees and Police Pension Boards on June 29, 2020, July 16, 2020 and August 6, 2020, respectively.

**BACKGROUND:** The City of Miramar is confronted with serious fiscal constraints and is undertaking organizational reviews to optimize the efficiency of operational functions. One response to these challenges is the adoption of the ERIP for qualified employees. Voluntary separations under the ERIP are intended to achieve the specific organizational objective of reducing and containing personnel expenses, which primarily includes salary and benefit costs, to minimize the impact of anticipated forced reductions on the City of Miramar's workforce, and to provide opportunities for employees considering retirement or other career options by providing a package of separation incentive benefits.

Voluntary separations under the ERIP will also assist in avoiding or minimizing future involuntary terminations due to reductions in personnel, i.e. layoffs, furloughs and other benefit reductions. Upon the separation of an employee under this program, the budgeted position and associated funding will be transferred to a restricted non-departmental account that will be eliminated at the end of the fiscal year.

The ERIP is a multi-year, strategic approach to reducing the workforce, while providing opportunities for organizational restructuring, modernization of the workforce, and career development for employees while reducing long term legacy costs to better fit the expenses of the City within the limited available revenues.

**ERIP Incentives:**

- The Employee shall receive the following pension benefit, which is based upon the definition of credited service in each employee's respective pension plan in which they are a member:
  - a. Any employee retiring under this program that has not yet met the Normal Retirement definition and requirements identified within the employee's respective pension plan summary description and governing section of the City Code, will be eligible to retire using the Normal Retirement benefits formula in their plan as long as the employee is within five (5) years of Normal Retirement. The 5% and 6% penalties for the Management and General Employees' Pension Plans, respectively will be waived.
- The employee shall elect to receive one of the following, which is based upon employee's full-time years of service with the City:
  - a. Lump-Sum DROP Deposit: A lump-sum deposit into the employee's DROP account of up to six months of benefit payments, provided that lump sum payments shall be prorated for eligible employees with less than six months of remaining DROP participation. The lump sum payment shall correspond to the number of months of remaining DROP participation, not to exceed six months, as calculated beginning in the month following submission of the notice of election.
  - b. Lump-Sum Distribution: A lump-sum distribution equal to twenty weeks of base pay (does not include any overtime, incentives, allowances or any other type of additional pay).
  - c. Medical Insurance: One year of HMO coverage of medical and dental insurance benefits for the employee and their dependents for every four years of service (up to a maximum of six years of coverage). Dependent coverage must be made at the time of retirement under the ERIP. Adding dependents to the medical and dental insurance coverage after retirement through the ERIP will be at the full cost to the retired employee and will require a qualifying event or during retiree benefit open enrollment.

## Budget Discussion and Analysis:

The critical component to any ERIP is the elimination of each position from the budget as each ERIP participant separates. The intent of this ERIP is to pay for the ERIP Incentives with the budgeted cost of each position. The return on investment (ROI) is realized by balancing the cost to participate in the ERIP against the long-term savings of eliminating the position from the budget. So, the critical component to the plan is the **ELIMINATION** of each position, or a lower vacated position due to promotion, from the budget. The goal of the ERIP is to achieve a separation of 5% of the full-time work force. This equates to approximately 50 positions.

### ROI Non-Sworn Positions:

The following chart demonstrates the costs, long-term savings and ROI of the program for non-sworn positions:

Analysis	In Drop	Retirement Eligible	Retirement Eligible < 5	Grand Total
Total Count of EE#	47	60	115	222
Avg 1 Year Savings	83,071	109,733	104,428	101,340
Avg 5 Year Savings	415,353	548,667	522,140	506,702
Avg of 5 yr ReplCost	-	-	-	-
Avg of 5 yr savings w/repl cost	415,353	548,667	522,140	506,702
Avg 5-yr Insurance Incentive Cost	(69,218)	(95,641)	(70,154)	(76,844)
Avg of Capped Liability Cost	(16,051)	(18,640)	(17,115)	(17,302)
Avg Pension Cost	-	-	(55,711)	(28,859)
Reallocation of Work Costs	-	-	-	-
Avg of Net 5 yr Savings	330,085	434,386	379,160	383,696
Avg Yrs to break even	1.0	1.0	0.8	0.9
Avg yearly Savings/ERIP	91,259	86,877	73,904	80,359
5 yr COSTS	(85,269)	(114,281)	(142,980)	(123,006)
5 yr savings	415,353	548,667	522,140	506,702
ROI	487%	480%	365%	412%

\*if position is eliminated and not replaced

Benefit: 1 year of employee HMO health insurance benefit for every 4 years of service.

To summarize the chart, on average it takes 0.9 years, or approximately 11 months, to cover the costs of the ERIP for each employee who volunteers to participate. In other words, the cost of the pension, DROP buy-out and/or medical insurance coverage is paid using 11 months of the position's cost, after that time the position is eliminated, and the City realizes the savings each month. For perspective, the average **ROI savings over 5 years for each position** that is eliminated under this ERIP, including the costs of the ERIP, is approximately **\$383,696**.

### ROI Sworn Positions

The following chart demonstrates the costs, long-term savings and ROI of the program for sworn positions:

Analysis	In Drop	Retirement Eligible	Retirement Eligible < 5	Grand Total
Total Count of EE#	39	8	41	88
Avg 1 Year Savings	177,765	133,934	133,187	153,011
Avg 5 Year Savings	888,825	669,670	665,937	765,056
Avg of 5 yr ReplCost	(253,890)	(253,890)	(253,890)	(253,890)
Avg of 5 yr savings w/repl cost	634,935	415,780	412,047	511,166
Avg 5-yr Insurance Incentive Cost	(155,264)	(101,187)	(101,475)	(125,287)
Avg of Capped Liability Cost	(35,148)	(22,157)	(21,646)	(27,676)
Avg of Net 5 yr Savings	444,522	292,436	288,926	358,203
Avg Yrs to break even	2.5	2.8	2.8	2.7
Avg yearly Savings/ERIP	72,235	58,487	57,785	64,993
5 yr COSTS	(444,302)	(377,233)	(377,011)	(406,853)
5 yr savings	888,825	669,670	665,937	765,056
ROI	200%	178%	177%	188%

\* If public safety positions are kept vacant for 1.5 year(s) and all others are eliminated

Benefit: 1 year of employee HMO health insurance benefit for every 4 years of service.

To summarize the chart, on average it takes 2.7 years, approximately 32 months, to cover the costs of the ERIP for each sworn employee who volunteers to participate. In other words, the cost of the pension, DROP buy-out and/or medical insurance coverage is paid using 32 months of the position's cost, and the City realizes the savings each month. For perspective, the average **ROI savings over 5 years for each position** that is eliminated under this ERIP, including the costs of the ERIP, is approximately **\$358,203**.

There is a need to keep a certain number of sworn positions within the workforce to maintain the require operational minimum staffing levels. Due to this, these positions are being frozen for a period of no less than 18 months, at which time the position can be filled at the lowest possible salary level for the job classification. The program requires that each fiscal year the total number of budgeted FTEs cannot increase beyond the reduced FTE number achieved as part of the ERIP, essentially creating a FTE cap.

### **Workforce Planning and Impact to Citywide Human Resources and Service Levels:**

As mentioned throughout the ERIP documents and this Memorandum, the reduction of the workforce is the ultimate goal of the ERIP. This, however, creates a unique opportunity to modernize the workforce and create career development opportunities for employees

that remain with the City. During each year of the program, the Human Resources Department will lead a joint effort with each department to conduct workforce planning and career development assessments to achieve operational efficiencies. Target areas will include:

1. Opportunities to modernize operations with technology and skilled labor.
2. Provide career development for employees to move from entry-level positions into skilled tradesperson and tech positions.
3. Opportunities to outsource entry-level and basic labor functions that can be more cost effectively provided by consultant, contractor and vendor services.

The results of this ongoing assessment will be presented to the City Commission each year during the annual budget process.

### **Essential Positions:**

Within the workforce there exists a number of positions that are required by either state statute, ordinance or necessary for the continuity of operations of the organization. These positions cannot be eliminated from the budget, even as a result of any incumbent participating in the ERIP. In the event that the incumbent in any of the following list of positions elects to participate in the ERIP, the retirement will trigger an internal promotional opportunity(ies) that will be managed by the Human Resources Department. The resulting promotion(s) will create a vacant position which will be eliminated, in lieu of the essential position.

The list of essential positions includes:

1. City Manager (position hired by City Commission)
2. Each Department Director
3. Police Chief
4. Fire Chief
5. Fire Marshall
6. Chief Building Official
7. City Engineer
8. Department specific positions required by Federal, State and/or local mandate

This list is subject to change each fiscal year with the adoption of the Annual Budget.

**Sworn Public Safety Positions:** If an incumbent in a sworn position elects to participate in the ERIP, the position will be frozen for a period of no less than 18 months. When the freeze on the position is lifted, the position will be filled at the lowest possible salary for the position's job classification.

**ERIP Timeline:**

August - November 2020	Development of ERIP and approval by City Commission
January – March 2021	Window for employees to make irrevocable election to participate in ERIP
April – September 2021	Assessment of positions that will be eliminated and restructure organization to maintain service levels, assess contractual services and overtime adjustments that may be necessary to offset reduced workforce and ERIP savings
Fiscal Year 2022	Operate under the restructured organizational table, begin to use alternative, more efficient methods to provide services, create career development opportunities for remaining workforce, assess potential workforce modernization opportunities
Fiscal Years 2023 - 2025	Implement modernization of the workforce and career development opportunities for employees

**Legislative Process:**

The ERIP requires 3 separate ordinances to be approved by the City Commission:

1. Five Year Workforce Reduction/Early Retirement Incentive Program
  - Outlines overall program, program documents, medical insurance coverage incentive, and coordination in FY 2021-2025 annual budgets to ensure FTE levels account for ERIP retirements
2. General Employee and Management Pension Plans ERIP Ordinance
  - Allows window for 5-year reduction in normal retirement eligibility and option for 6 months DROP payment in lieu of insurance option
3. Police Pension ERIP Ordinance
  - Allows window for 5-year reduction in normal retirement eligibility and option for 6 months DROP payment in lieu of insurance option

Temp. Ord. No. 1756  
10/21/20  
10/28/20

**CITY OF MIRAMAR  
MIRAMAR, FLORIDA**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA, AUTHORIZING THE CREATION OF THE 2020 FIVE YEAR WORKFORCE REDUCTION / EARLY RETIREMENT INCENTIVE PROGRAM (“ERIP”) FOR THE EXPLICIT PURPOSES OF REDUCING THE CITY’S FULL TIME WORKFORCE THROUGH A COMBINATION OF PENSION AND MEDICAL INSURANCE INCENTIVES, PERMANENT ELIMINATION OF THE BUDGETED FULL TIME EQUIVALENT POSITION OF EACH EMPLOYEE THAT MAKES THE IRREVOCABLE ELECTION TO PARTICIPATE IN THE ERIP, REQUIRING COORDINATION IN THE FY2021, FY2022, FY2023, FY 2024 AND FY2025 ADOPTED BUDGETS, THE REDUCTION OF POSITIONS, AS A RESULT OF THIS PROGRAM, AND FUNDING FOR THE MEDICAL BENEFITS AND LUMP-SUM DISTRIBUTION OPTIONS OFFERED TO PARTICIPANTS IN THE ERIP, AND BUDGETING THE COST SAVINGS PROVIDED AS A RESULT OF THE ERIP; PROVIDING FOR SEVERABILITY AND INTERPRETATION; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING THAT OFFICIALS ARE AUTHORIZED TO TAKE ACTION; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Commission desires to take all necessary steps to provide a sustainable workforce; and

**WHEREAS**, personnel costs are approximately 70% of the City’s annual expenses and are predicted to continue to increase and eventually outpace the growth of revenue; and

**WHEREAS**, the managed elimination of positions from the annual budget will reduce the workforce and reduce costs while maintaining service levels; and

Ord. No. \_\_\_\_\_



Temp. Ord. No. 1756  
10/21/20  
10/28/20

**WHEREAS**, the creation of the 2020 Five Year Workforce Reduction/Early Retirement Incentive Program (“ERIP”) will provide the authority and guidance for a coordinated effort between the Management and Budget Office, the City Manager’s Office and the Human Resources Department to provide a voluntary reduction in force program that results in the elimination of positions from future annual budgets, beginning with the FY2021 budget; and

**WHEREAS**, the ERIP coordinates and includes:

1. Ordinance Numbers \_\_\_ and \_\_\_, which provide a three-month period to allow employees to retire and receive Normal Retirement Benefits, without penalty or age restriction, as defined in each City pension plan’s summary plan description and the related sections of the City Code.
2. Requirement for the inclusion of language in the FY2021 – FY2025 annual adopted budgets that funds the costs of the ERIP and the elimination of a budgeted position and all related funding for each position that is eliminated, resulting in a reduction of Full Time Equivalent (FTE) budgeted positions.
3. The total number of FTE positions in the budget cannot increase beyond the reduced FTEs achieved as part of the program for each year of the ERIP.
4. Additional details of the ERIP are discussed in Exhibit “A” of this Ordinance.

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

Ord. No. \_\_\_\_\_

Temp. Ord. No. 1756  
10/21/20  
10/28/20

**Section 1.** That the foregoing “**WHEREAS**” clauses are ratified and confirmed as being true and correct and are made a specific part of this Resolution.

**Section 2.** That the appropriate City officials are authorized to do all things necessary and expedient to carry out the aims of this Ordinance.

**Section 3.** That the 2020 Five Year Workforce Reduction/Early Retirement Incentive Program, attached to this Ordinance as Exhibit A, shall take effect January 1, 2021.

**Section 4. Repealer.** That 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 5: Severability.** That should any section or provision of this Ordinance, or any paragraph, section 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 part hereof, other than the part declared invalid.

**Section 6: Inclusion in the Code.** That it is the intention of the City Commission of the City of Miramar that the provisions of this Ordinance shall become and be made part of the Code of the City of Miramar, and that the sections of this Ordinance may be renumbered or relettered 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.

Temp. Ord. No. 1756

10/21/20

10/28/20

**Section 7: Effective Date.** That this Ordinance shall take effect immediately upon adoption on second recording.

**PASSED FIRST READING:** \_\_\_\_\_

**PASSED AND ADOPTED ON SECOND READING:** \_\_\_\_\_

\_\_\_\_\_  
Mayor, Wayne M. Messam

\_\_\_\_\_  
Vice Mayor, Maxwell B. Chambers

ATTEST:

\_\_\_\_\_  
City Clerk, Denise A. Gibbs

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

\_\_\_\_\_  
City Attorney,  
Austin Pamies Norris Weeks Powell, PLLC

**Requested by Administration**

Commissioner Winston F. Barnes

Vice Mayor Maxwell B. Chambers

Commissioner Yvette Colbourne

Commissioner Alexandra P. Davis

Mayor Wayne M. Messam

**Voted**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Ord. No. \_\_\_\_\_

## **2020 Five Year Workforce Reduction/Early Retirement Incentive Program**

### **INTRODUCTION**

The City of Miramar is confronted with serious fiscal constraints and is undertaking organizational reviews to optimize the efficiency of operational functions. One response to these challenges is the adoption of the **2020 Five Year Workforce Reduction/Early Retirement Incentive Program (ERIP)** for qualified employees. Voluntary separations under the ERIP are intended to achieve the specific organizational objective of reducing and containing personnel expenses, which primarily includes payroll and benefit costs, to minimize the impact of anticipated reductions on the City of Miramar’s workforce, and to provide opportunities for employees considering retirement or other career options by providing a package of separation incentive benefits. Voluntary separations under the ERIP will also assist in avoiding or minimizing future involuntary terminations due to reductions in personnel, i.e. layoffs, furloughs and other benefit reductions. Upon the separation of an employee under this program, the budgeted position and associated funding will be transferred to a restricted non-departmental account that will be eliminated at the end of the fiscal year. This will be included in the FY 21 budget ordinance.

### **GENERAL DESCRIPTION**

The ERIP is a one-time, irrevocable opportunity for eligible, vested employees to apply for separation and enter retirement at an earlier date than might otherwise have been planned. ERIP participants will be required to sign a Separation Agreement that contains a release of all employment rights and claims, described later in this document. Following voluntary retirement from the City of Miramar, ERIP participants will receive the benefits provided by this plan.

### **ELIGIBILITY**

Eligible employees of the City may apply to participate in the Plan. You are considered an “Eligible Employee” if you meet the following criteria:

- are a full-time Unrepresented, G.A.M.E. represented or PBA represented employee of the City; and,
- have not already provided the City with a signed letter of resignation or retirement; and,
- have not applied for, or are already receiving, a disability pension; and,
- are not in the process of being involuntarily terminated; and,
- are a vested retirement plan member who is:
  - i. an existing DROP participant with a required exit date (as per your applicable pension plan) after January 1, 2021; or,

- ii. eligible for normal retirement; or,
- iii. within **five (5) years of normal retirement eligibility.**

**Current Plan Provisions:**

	<b><u>General Employees' Plan</u></b>	<b><u>Management Pension Plan</u></b>
<b><i>Vesting Period</i></b>	7 years of credited service	5 years of credited service
<b><i>Normal Retirement</i></b>	1. Age 65 with 7 years of credited service; or, 2. 20 years of credited service	1. Age 55 with 10 years of credited service; or, 2. Age 62 with 5 years of credited service; or, 3. 20 years of credited service

	<b><u>Police Pension Plan</u></b>
<b><i>Vesting Period</i></b>	10 years of credited service
<b><i>Normal Retirement</i></b>	1. Age 55 with 10 years of credited service; or, 2. 20 years of credited service

	<b><u>401(a) Defined Contribution Plan</u></b>
<b><i>Vesting</i></b>	Contributions are 100% vested
<b><i>Normal Retirement</i></b>	<p>For purposes of the ERIP, normal retirement is:</p> <ol style="list-style-type: none"> <li>1. Age 62 with 5 years of 401(a) participation; or,</li> <li>2. Age 55 with 10 years of 401(a) participation; or,</li> <li>3. 20 years of 401(a) participation</li> </ol> <p>* Employees with a combination of participation in the 401(a) and one or more defined benefit pension plans may participate in the ERIP if they meet any of the above listed requirements. However, employees in this category who have not met the credited service requirement(s) for normal retirement in the defined benefit pension plan(s) will become eligible for retirement benefits based upon the benefits eligibility in their respective pension plan(s).</p> <p>In other words, the employee is eligible to receive the lump-sum distribution or medical insurance benefit discussed in the <b>Incentive Benefits</b> section of this document. Any applicable pension benefits are subject to the employee's respective pension plan in which they participate(d); any 401(a) withdrawals are subject to current IRC and IRS regulations.</p>

## **INCENTIVE BENEFITS**

ERIP eligible and approved employees will receive the benefits below for which they qualify and elect:

- A **pension benefit** calculated based on **credited service** as defined in the employee's respective pension plan(s) in which they are(were) a member:
  - a. Any employee retiring under this program that has not yet met the Normal Retirement Eligibility definition and requirements identified within the employee's respective pension plan and governing section of the City Code, will be eligible to retire providing the employee is within five (5) years of Normal Retirement Eligibility. The 5% and 6% penalties for the Management and General Employees' Pension Plans, respectively, will be waived; **and**,
- **One** of the following, which is based upon employee's **full-time** years of service with the City:
  - a. **Lump-Sum Distribution (*DROP participants only*):**  
A lump-sum DROP deposit, not to exceed the value of six (6) months of DROP benefit payments. The lumpsum deposit will be prorated for those with less than six (6) months of remaining DROP participation, as calculated beginning in the month following submission of the application to participate.
  - b. **Lump-Sum Distribution:**  
A lump-sum distribution equal to twenty (20) weeks of base pay (does not include overtime, allowances, incentives or any other type of additional pay). All legally required taxes, authorized deductions, and sums owed to the City, shall be deducted, as allowed or required by law.
  - c. **Medical & Dental Insurance Coverage:**  
One (1) year of City-paid HMO medical and dental insurance coverage for every four (4) years of full-time service, up to a maximum of six (6) years of coverage. Coverage includes retired employee and eligible, participating dependents. Election for dependent coverage must be made at the time of retirement under the ERIP. Adding dependents to the medical and/or dental insurance coverage after retirement can only be made due to a qualifying event or during open enrollment and will be at the full cost to the retired employee.

Participation in the ERIP is completely voluntary. Applicants may revoke their application at any time during the seven (7) calendar days following submission of a signed Separation Agreement. Eligible employees who decline to participate, or revoke an application to participate, will not be treated any differently than any other similarly situated employee.

**Applications for the ERIP will be accepted for a limited period of time, starting January 1, 2021 and ending at midnight on March 31, 2021. Separations under the ERIP are to be effective no later than June 30, 2021\***.

## **IDENTIFICATION OF ESSENTIAL POSITIONS**

Within the workforce there exists a number of positions that are required by either state statute, ordinance, or necessary for the continuity of operations of the organization. These positions cannot be eliminated from the budget, even as a result of any incumbent participating in the ERIP. In the event that an incumbent in one of these positions elects to participate in the ERIP, the retirement will trigger an internal promotional opportunity that will be managed by the Human Resources Department. The resulting promotion(s) will create a vacant position which will be eliminated, in lieu of the essential position.

Essential positions include:

1. City Manager
2. Department Directors
3. Fire Marshall
4. Chief Building Official
5. City Engineer
6. Department specific positions required by Federal, State and/or local mandate

This list is subject to change each fiscal year with the adoption of the Annual Budget.

*Sworn Positions: If an incumbent in a sworn position elects to participate in the ERIP, the position will be frozen for a period of no less than eighteen (18) months. When the freeze on the position is lifted, the position will be filled at the entry level for the position's job classification.*

## **SEPARATION DATE**

Eligible employees applying to participate in the Program must provide an intended separation date on the ERIP Participation Application; the intended separation date cannot be later than June 30, 2021.

## **ERIP APPLICATION**

Eligible employees shall be provided a copy of this Plan and an ERIP Participation Application on, or before, January 1, 2021. The application period for the ERIP begins on January 1, 2021, and ends on March 31, 2021. Applications submitted later than midnight on March 31, 2021, will not be considered. Only those applying for the Program will be considered. The ERIP Participation Application and additional Program information will be available on the Human Resources Retirement page:

**[LINK TO HR SITE ADDED UPON APPROVAL]**

All required documentation must be delivered in person to the Human Resources Department or submitted via email to the following ERIP designated email address:

**[LINK TO ERIP EMAIL GROUP ADDED UPON APPROVAL]**

## **APPLICATION / ELIGIBILITY REVIEW**

When the application form is submitted, the applicant is indicating a desire to voluntarily separate from the City of Miramar in exchange for the selected ERIP separation incentive.

The City's Human Resources Department will review the ERIP Participation Application to confirm the employee's eligibility to participate in the Program. If eligibility is confirmed, the ERIP Participation Application will be approved, and Human Resources will provide applicant with an ERIP Determination Statement. The ERIP Determination Statement will provide retirement and benefit information based on intended separation date provided.

## **PROGRAM ACCEPTANCE**

Upon receiving an approved ERIP Participation Application and ERIP Determination Statement, the employee will have fourteen (14) calendar days to acknowledge acceptance in the Program by signing and submitting a Separation Agreement, which will be included with the ERIP Determination Statement. Applicants may revoke their participation in the Program up to seven (7) calendar days after submitting the Separation Agreement. To revoke or withdraw, the applicant must submit a written notice of revocation to the City's Human Resources Department. On the 8<sup>th</sup> calendar day after submitting the Separation Agreement, ERIP participation is irrevocable. As indicated above, separations under the ERIP must be effective no later than June 30, 2021.

## **NOTICE TO APPLICANTS**

**All applicants are advised to contact their Personal Attorney, Financial Advisor, Union Representative (if applicable) and/or any other professional advisor of his or her choosing, at the employee's own expense, to review all Plan documents, if desired.**

## **ADDITIONAL ERIP CONDITIONS AND INFORMATION:**

### **CONTINUED CONDITIONS OF ELIGIBILITY**

An Eligible Employee (as defined above), who applies for, and is subsequently approved to participate in, the ERIP, will not be eligible for separation incentive benefits under the Plan if:

- the employee ceases to be an Eligible Employee as defined above; or,
- the employee's employment with the City terminates by reason of job abandonment before his/her voluntary separation date; or,
- the employee is terminated by reason of unacceptable performance under the City's policies or because of a violation of City policy; or,
- the employee timely revokes their application; or,
- the employee fails to comply with the terms of the Plan; or,
- the Plan is terminated.



### **\*SEPARATION DATE EXCEPTION**

Human Resources has the discretion to extend an employee's separation to support the operational needs of the City; however, in no circumstance will the separation date extend beyond September 30, 2021.

### **SUBSEQUENT EMPLOYMENT**

An eligible employee who participates in the plan may not seek or accept re-employment as a City employee after his or her voluntary ERIP retirement date.

### **REPRESENTATIONS CONTRARY TO THE ERIP**

No employee, director, executive, or agent of the City has the authority to alter, vary or modify the terms of the ERIP, except by means of an authorized written amendment to the ERIP on file with the Director of Human Resources. No verbal or written representations contrary to the terms of the ERIP and any amendments shall be binding upon the City of Miramar.

### **AMENDMENT AND TERMINATION**

The City reserves the right to amend or terminate the ERIP at any time. Notwithstanding the foregoing, no amendment of ERIP may reduce ERIP payments or other considerations once an ERIP Separation Agreement is fully executed.

### **NONDISCRIMINATION STATEMENT**

The City of Miramar will not engage in discrimination against any person because of age, color, disability, ethnicity, gender, gender identity, genetic information, marital status, national origin, race, religion, sexual orientation, or veteran status, and will comply with all federal and state non-discrimination, equal employment laws and regulation.

### **NON-PLAN PAYOUTS**

All other accrued payouts or benefits provided (e.g., pay for accrued but unused leave, etc.) will be made consistent with existing City policies, pay plans, collective bargaining agreements (if applicable) and/or law, and are not part of the consideration offered under this Plan.

### **RETURN OF SEPARATION INCENTIVE PAYMENTS**

An eligible employee shall be required to return to the City all separation incentive benefits (or portion thereof) that the City paid by mistake of fact, mistake of law, or contrary to the terms of the Plan.

### **IMPORTANT INFORMATION REGARDING HEALTH INSURANCE BENEFITS**

*For ERIP participants electing the City-paid insurance coverage incentive:*

- Coverage under the ERIP will begin with the first day of the month after the employee separates service from the City.
- Coverage includes HMO medical and dental only; however, at the time of retirement, employees may elect to continue life insurance coverage at their expense.

- City-paid coverage will remain in effect for the applicable period of time provided the employee is otherwise in compliance with the terms of the Plan, and the employee and/or eligible dependents are otherwise eligible to continue participation.
- Retirees may, at their expense, continue to participate in any of the City's group retiree medical and dental plans, under the same terms and conditions applicable to other retirees, once the City-paid benefits are exhausted.
- At no time can the City-paid insurance coverage be transferred or converted into a cash benefit.
- If, at any time, the coverage is cancelled and/or terminated, the retiree will not be able to join at a later time.

*For ERIP participants not electing the City-paid insurance coverage:*

- Retirees may, at the time of retirement, and at their expense, continue to participate in any of the City's group retiree medical, dental, or life insurance plans, under the same terms and conditions applicable to other retirees.