

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

**First Reading Date:** October 28, 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:** O1761

**Item Description:** **SECOND READING** OF TEMP. Ord. #O1761, AN ORDINANCE OF THE CITY OF MIRAMAR AMENDING CHAPTER 15, ARTICLE IV, OF THE CITY CODE OF THE CITY OF MIRAMAR GOVERNING THE MIRAMAR POLICE OFFICERS' RETIREMENT PLAN AND TRUST FUND; CREATING SECTION 15-175 TO ESTABLISH AN EARLY RETIREMENT INCENTIVE PLAN FOR MEMBERS WITH AT LEAST FIFTEEN (15) YEARS OF SERVICE AND PROVIDING FOR A LUMP SUM INCENTIVE FOR DROP PARTICIPANTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; PROVIDING FOR 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
- Ordinance TO1761



**CITY OF MIRAMAR  
INTEROFFICE MEMORANDUM**

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

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

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

**DATE:** November 10, 2020

**RE:** SECOND READING of Temp. Ord. No. O1761 providing an Early Retirement Incentive Program ("ERIP") for members of the Police Pension Plan

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**RECOMMENDATION:** Approval of Temp. Ord. No. 1761 providing an Early Retirement Incentive Program ("ERIP") for members of the Police Pension Plan.

**ISSUE:** The City is creating an ERIP for eligible employees, which includes members of the Police Pension Plan. The Police Pension Board has instructed their attorney to draft an ordinance that will provide a three-month window to allow members to retire early by reducing the minimum number of credited service by 5 years, and provide the member with the option for enhanced interest to their DROP account not to exceed six months of value.

**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.

**DISCUSSION:** 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 for a period of 18 months.

**ANALYSIS:** 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. The cost of the pension, DROP buy-out and/or medical insurance coverage is paid using 18 months of the position's cost, after that time the position is allowed to be filled with an employee at the entry level salary for the job classification, 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.

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**CITY OF MIRAMAR  
MIRAMAR, FLORIDA**

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

**AN ORDINANCE OF THE CITY OF THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA AMENDING CHAPTER 15, ARTICLE IV, OF THE CITY CODE OF THE CITY OF MIRAMAR GOVERNING THE MIRAMAR POLICE OFFICERS' RETIREMENT PLAN AND TRUST FUND; CREATING SECTION 15-175 TO ESTABLISH AN EARLY RETIREMENT INCENTIVE PLAN FOR MEMBERS WITH AT LEAST FIFTEEN (15) YEARS OF SERVICE AND PROVIDING FOR A LUMP SUM INCENTIVE FOR DROP PARTICIPANTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Chapter 15 "Pensions", Article IV of the City Code, governs the City of Miramar Police Officers' Retirement Plan and Trust Fund (the "Police Pension Plan"); and

**WHEREAS**, the COVID-19 pandemic has created budgetary challenges for local government; and

**WHEREAS**, the Board of Trustees of the Police Pension Plan, in consultation with their actuary, have determined that an Early Retirement Incentive Program (ERIP), within the parameters established by the City, will provide a meaningful opportunity to reduce City payroll; and

**WHEREAS**, the ERIP is to provide budgetary savings by reducing payroll through a voluntary retirement incentive program for eligible, vested employees, who would not later become eligible for re-employment by the City; and

**WHEREAS**, a phased ERIP program requires discretion on the part of the City to  
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calibrate Human Resource and Police Department demands; and

**WHEREAS**, the City and the collective bargaining agent for members of the Police Pension Plan have waived bargaining on this subject; and

**WHEREAS**, the Pension Board has recommended the adoption of the following amendments consistent with these goals; and

**WHEREAS**, the City Commission believes that these amendments are in the best interest of the employees and citizens of the City of Miramar.

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

**Section 1.** Section 15-175 of the City Code is hereby created to read as follows:

**Section 15-175. Early Retirement Incentive Program.**

**Early Retirement Incentive Program: Subject to the limitations below, members with at least fifteen years of creditable service as of March 31, 2021 ("eligible employees") shall have the option to participate in an Early Retirement Incentive Plan ("ERIP") under the following terms and conditions:**

- (1) Unless the time period is extended or shortened by the City Manager as provided in sub-paragraph (6) of this sub-section, eligible employees shall have three (3) months from the effective date of this sub-section to provide written notice to the City of their intention to participate in the ERIP. Notice shall be made by submitting forms promulgated by the Board. Failure to provide timely written notice will render the otherwise eligible member permanently ineligible for participation in the program.**
- (2) Eligible employees who timely submit the required ERIP forms, upon retirement, shall receive normal retirement benefits as provided in this section without the actuarial reduction**

otherwise required by Section 15-214. Such members shall remain eligible to purchase permissive service credit pursuant to Section 15-174 provided that the actuarial cost of the service is purchased prior to separation.

- (3) Eligible employees who are participating in the DROP program may elect to receive enhanced interest earnings on their DROP balances in an amount not to exceed the value of six months of benefit payments without interest, provided that lump sum payment shall be prorated for eligible employees with less than six months of remaining DROP participation. For such eligible employees, the enhanced interest earnings 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 separation agreement.
- (4) Eligible employees who timely submit the required forms to participate in the ERIP must schedule an exit date from City service which will be no later than September 30, 2021.
- (5) The City Director of Human Resources shall provide the Board with a list of positions in which members of the Plan are assigned and limitations on the number of incumbents in any position which may be eligible for this ERIP.
- (6) The City Manager or designee shall have the authority to extend or shorten the ERIP program in the City Manager's sole and exclusive discretion. Any early termination of the ERIP program shall be communicated to eligible employees not less than two (2) weeks prior to extension or discontinuation of the ERIP program.
- (7) Eligible employees participating in this ERIP shall sign a release of all claims against the Board and City consistent with the terms and time limits provided by applicable federal, state and local age discrimination laws, including any mandatory period of notice and rescission.

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**Section 2.** 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 3.** 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.

**Section 4.** 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.

**Section 5.** The provisions of this Ordinance shall not apply to deferred vested members who have separated from service prior to the effective date of this Ordinance. This Ordinance shall neither enhance nor diminish benefits for deferred vested members.

**Section 6.** Any DROP participant electing any other early retirement program benefit offered by the City shall not be eligible for the benefits in this ordinance.

**Section 7.** This Ordinance shall become effective January 1, 2021.

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**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 ORDINANCE 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**

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