



"The Best Waterfront City in Which to Live, Work and Play."

CITY OF RIVIERA BEACH – MEMORANDUM

TO: HON. MAYOR, CHAIRPERSON, AND CITY COUNCIL

FROM: RANDY SHERMAN, DIRECTOR FINANCE AND ADMINISTRATIVE SERVICES

SUBJECT: **ORDINANCE ON FIRST READING TO CLOSE POLICE PENSION FUND TO NEW MEMBERS**

DATE: NOVEMBER 18, 2020

CC: GENERAL PUBLIC

Background:

The Police Benevolent Association (PBA) Bargaining Unit Members ratified the current three-year Labor Agreement on March 13, 2020. The parties bargained to close the Riviera Beach Police Pension Fund to new hires at acceptance into the Florida State Retirement System (FRS).

On August 19, 2020, the Council, by Resolution 71-20, approved the enrollment of newly sworn police officers into the Florida Retirement System (FRS). The resolution required all police officers, hired after FRS enrollment, except those excluded by law, to participate in the Florida Retirement System as compulsory members. The Department of Management Services has provided an enrollment date of December 1, 2020.

Florida is a divided vote referendum state, meaning two votes are required. The first vote is a by secret ballot. An affirmative vote of the majority of the eligible persons in the Retirement Plan and Trust for the police officers of the City of Rivera Beach must vote affirmatively in favor of the City joining the FRS. Following a favorable majority vote referendum, each eligible police officer will vote a second time. The second vote is not a secret ballot.

The first vote occurred on April 30 and May 1, 2020. Eighty-one (81) members of the eligible one-hundred ten (110) members voted in the affirmative to join FRS.



The second vote will occur upon the passage of the ordinance after first reading. Each police officer will elect to transfer to the FRS or remain in Police Pension Fund. All police officers hired after December 1, 2020 will be members of the FRS with Social Security coverage.

City Goals:

Enhance government stewardship.

Fiscal/Budget Impact:

The City anticipates lower pension contribution rates as compared to the Police Pension Fund.

Recommendation:

Staff recommends passage of the Ordinance to close the current Police Pension Fund.

Attachments:

1. Ordinance No. 4154
2. 2020 FRS Summary Plan Description
3. 2020 FRS Enrollment Handbook
4. 2020 FRS Contribution Rates

