CITY OF GREENACRES

Council Agenda Memo
2016.01TL3.023

TO: Mayor and City Council

FROM: Thomas J. Lanahan, Acting City Manager

SUBJECT: **Ordinance 2016-09**
Revised Vesting for City Defined Contribution Plan
Council Agenda Item for 01-28-16

DATE: January 25, 2016

COPIES: James D. Stokes, City Attorney
Denise McGrew, City Clerk

Background:

A Retirement Plan and Trust for the General Employees of the City was established on January 1, 1996 and re-established on October 1, 2001 and is a Defined Contribution Plan.

On August 10, 2015, the City Council voted to contract with the Palm Beach County Sheriff's Office (PBSO) to provide law enforcement services within the City of Greenacres. The contract for service provides for the merger of Greenacres police personnel into PBSO. In addition, the reduction in the City's vehicle fleet due to the contract with PBSO caused the need to reduce by one (1) the number of positions in the Vehicle Maintenance Division of the Public Works Department.

In conjunction with the City Council's approval through Resolution 2016-07 of a Memorandum of Understanding (MOU) with the Police Benevolent Association (PBA) on January 19, 2016, employees in the bargaining unit who are participants in the City's defined contribution plan will be provided with 100% vesting of the employer contribution as of January 31, 2016 regardless of their years of service.

This Ordinance was approved on first reading January 19, 2016 by a vote of 4-1, with Councilman Noble dissenting.

Analysis:

The proposed amendment to the City's defined contribution plan will recognize the vesting approved through the MOU and allow other City employees whose employment is affected by the merger but not represented by PBA to have the same 100% vesting as of January 31, 2016.

Legal:

The Ordinance was prepared in accord with the Florida Statutes and City Code requirements.

Financial:

Providing 100% vesting for the subject employees means that the City contributions already made to the employee's 401(a) account will remain in the account rather than coming back to the City at various percentages based on the vesting schedule and the employee's actual years of service. No new expenditure of funds is caused by this proposed amendment.

Staff Recommendation:

Adoption of Ordinance 2016-09 approving an amendment to the City's General Employees Retirement Plan and Trust through the substitution of Exhibit B-1 with Exhibit B-1a in Section 10-149 of the City Code.

Thomas J. Lanahan
Acting City Manager

Attachments:
1. Ordinance 2016-09
2. Exhibit B-1a