



MEMORANDUM

Office of the City Attorney

Legistar No. 991457

Phone: 334-5011/Fax 334-2229
Box 46

TO: Mayor and City Commission

DATE: June 12, 2000
FIRST READING

FROM: City Attorney

SUBJECT: Ordinance No. 0-00-58
An ordinance of the City of Gainesville, Florida, amending Chapter 2 of the Code of Ordinances of the City of Gainesville relating to the City of Gainesville Employees Pension Plan and the City of Gainesville Retiree Health Insurance Fund pertaining to rehire of former employees, providing a severability clause; providing a repealing clause; and providing an effective date.

Recommendation: The City Commission adopt the proposed ordinance.

At its meeting of May 22, 2000, the City Commission authorized the City Attorney to draft and the Clerk of the Commission to advertise the attached proposed ordinance. The changes will facilitate the rehiring of former employees who would then become new members of the General Employees Pension Plan. Currently, the General Employees Pension Plan does not provide for the rehiring of retirees.

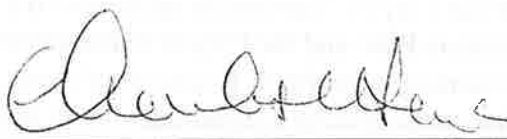
The changes, primarily described in Section 3, will allow a retired former employee (or one receiving a termination benefit at age 65) to become re-employed, continue drawing their retirement benefit, and start earning an entirely new pension benefit. During the period of their re-employment, the former employee would be entitled to health benefits as an active employee, but would not lose whatever entitlement he or she had to retiree health benefits prior to re-employment. (See Sections 5 and 6 of the ordinance).

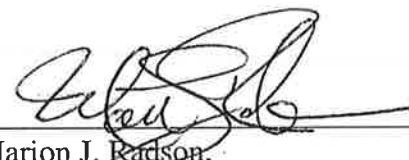
Section 1 of the ordinances provides a definition for retiree.

Section 2 would require a former police officer or firefighter, re-employed as a general plan member, to fulfill all the eligibility requirements for benefits under the General Employees Pension Plan before receiving a retirement benefit from the General Plan.

Section 4 corrects a scrivener's error.

These changes have no actuarial impact on the General Employees Pension Plan. Changes effectuated by this ordinance are similar to those recently adopted for the Consolidated Pension Plan. Pursuant to the CWA and ATU Collective Bargaining Agreements, those representatives have been provided a copy of the proposed ordinance.

Prepared by: 
Charles L. Hauck,
Sr. Assistant City Attorney

Approved and Submitted by: 
Marion J. Radson,
City Attorney

MJR:CLH:sw

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ORDINANCE NO. _____
0-00-58

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An ordinance of the City of Gainesville, Florida, amending Chapter 2 of the Code of Ordinances of the City of Gainesville relating to the City of Gainesville Employees Pension Plan and the City of Gainesville Retiree Health Insurance Fund pertaining to rehiring of former employees, providing a severability clause; providing a repealing clause; and providing an effective date.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF

13 THE CITY OF GAINESVILLE, FLORIDA:

14

15 **Section 1.** Section 2-521 of the Code of Ordinances of the City of Gainesville is
16 amended by adding a definition for *Retiree*, to read as follows:

17 Sec. 2-521 Definitions.

18 The following words and phrases as used in this division shall have the
19 following meanings unless a different meaning is clearly required by the context:

20 Retiree shall mean a former employee who is receiving, or a current employee who has
21 deferred receipt (into a deferred retirement option plan account) of, a monthly retirement
22 benefit from a defined benefit pension plan of the City of Gainesville.

23

24 **Section 2.** Subsection 2-523(c)(3)a. of the Code of Ordinances of the City of Gainesville
25 is amended as follows:

26 Sec. 2-523.Membership and service.

27 (c) Members of the plan.

28 (3) Limited participation.

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1 a. Definitions:

2 1. *Ineligible member* means an employee of the city who is not an eligible
3 member.

4 2. *Limited participant* means a member of the plan who, during part or parts
5 of his/her employment with the city, is an eligible member and, during other parts of
6 his/her employment with the city is an ineligible member.

7 3. *Limited participant service* means, in the case of a limited participant,
8 credited service as defined in the plan, but including service during all times of his/her
9 employment with the city, whether an eligible member or an ineligible member, except
10 after entering a DROP while a retiree or a recipient of a termination benefit from any
11 defined benefit pension plan of the City of Gainesville.

12 4. *Eligible service* means, in the case of a limited participant, credited service
13 as defined in the plan, during the part or parts of his/her employment during which he/she
14 is an eligible member, except after entering a DROP while a retiree or a recipient of a
15 termination benefit from any defined benefit pension plan of the City of Gainesville.

16
17 **Section 3.** Subsection 2-523(j) of Code of Ordinances of the City of Gainesville is
18 created to read as follows:

19 (j) Re-employed retirees and recipients of termination benefits.

20 A retiree or a former employee of the City of Gainesville receiving termination
21 benefits from the City of Gainesville Consolidated Police Officers and Firefighters
22 Retirement Plan, or this Plan may, upon becoming re-employed by the City of
23 Gainesville, become a new member of this Plan, earn credited service, and become

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1 entitled to receive an additional retirement benefit subject to the following conditions:

2 (1) Such member shall satisfy the eligibility requirements for participation in
3 this Plan.

4 (2) Such member shall not be entitled to disability benefits under the City of
5 Gainesville Employees Disability Plan, or become entitled to any other disability pension
6 benefit payable from a retirement system or plan of the City of Gainesville.

7 (3) No service for which credit was received, or which remained unclaimed, at
8 retirement or termination may be claimed or applied toward credited service earned
9 following re-employment.

10 (4) Such re-employed member shall not be entitled to purchase additional
11 credit for service performed prior to re-employment.

12

13 **Section 4.** Section 2-527, Subsection (f)(3), of the Code of Ordinances of the City of
14 Gainesville is amended to read as follows:

15 Sec. 2-527. Administration of the plan.

16 (f) Retirement plan officers;

17 (3) The director of finance shall be the treasurer of the plan and shall be
18 custodian of the funds. The City Manager shall be the Plan Administrator and shall have
19 the power to finally approve members' or beneficiaries' claims for benefits. The Plan
20 Administrator's denial of a member or beneficiary's claim for benefits shall be
21 reviewable in accordance with Section 2-5267(i).

22

23 **Section 5.** The definition of Retiree in Section 2-611 of the Code of Ordinances of the

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1 City of Gainesville is amended as follows:

2 *Retiree* shall mean:

3 * A retired employee, who is a member of the city employees pension plan or a
4 member of the consolidated police officers and firefighters retirement plan and is
5 receiving monthly annuity pursuant to an approved application for normal or early
6 retirement, in accordance with the provisions of these pension plans; or

7

8 * A retired employee upon whose behalf employer contributions were made to the
9 ICMA deferred compensation program and/or 401(a) plan and who, at the time of their
10 separation from the city, would have met the age and/or service requirements for normal,
11 or early retirement under the city employee pension plan or the consolidated police
12 officers and firefighters retirement plan as applicable to the classification they held at the
13 time of their separation: or

14

15 * A retired employee, who is a member of the consolidated police officers and
16 firefighters retirement plan and is receiving a monthly annuity pursuant to an approved
17 application for disability retirement in accordance with the provisions of that pension
18 plan: or

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20 * A retired employee of the city receiving a monthly benefit pursuant to an approved
21 application for disability retirement under the city employee's disability plan.

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23 * When a regular employee enters a DROP, or a retired employee becomes re-

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1 employed as a regular employee, he/she shall not be eligible to participate in the city's
2 retiree health insurance program while serving as a regular employee for the city.

3

4 **Section 6.** Section 2-614 of the Code of Ordinances of the City of Gainesville is
5 amended to read as follows:

6 Sec. 2-614. City contributions towards premium payments.

7 (1) *Base plan participants.* City contributions towards premium payments for
8 base plan participants would be made in accordance with the following formula:

9 2% X years of credited service, or portion thereof, for credited service
10 years 1-10
11
12 +3% X years of credited service, or portion thereof, for credited service
13 years 11-20
14
15 +2% X years of credited service, or portion thereof, for credited service
16 years over 20
17
18 +2% X years of age over 65, or portion thereof, at benefit commencement
19
20 -2% X years of age under 65, or portion thereof, at benefit
21 commencement
22
23 = multiplier, maximum of 50%, no minimum guarantee.
24
25 Multiplier X then current individual coverage premium = City share of
26 premium payment.

27
28 (2) *Transition plan participants.* City contributions towards premium
29 payments for transition plan participants would be made in accordance with the following
30 formula:

31 10% increase in credited service years at April 1, 1995, for each year, or
32 portion thereof, over 10, a maximum service increase of 100%
33
34 +2% X years of credited service, or portion thereof, for credited service

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1 years 1-10
2
3 +3% X years of credited service, or portion thereof, for credited service
4 years 11-20
5
6 +2% X years of credited service, or portion thereof, for credited service
7 years over 20
8
9 +8% X years of age over 65, or portion thereof, at April 1, 1995
10
11 +2% X years of age over 65, or portion thereof, at the later of benefit
12 commencement date or April 1, 1995
13
14 -2% X years of age under 65, or portion thereof, at benefit
15 commencement
16
17 = multiplier, maximum of 80% for single coverage, maximum of 155% for
18 other than single, minimum of 50% for the retiree or employee with 20
19 years credited service at April 1, 1995.
20
21 Multiplier X then current individual coverage premium = City share of
22 premium payment.

23 (3) Employees who enter a DROP shall have "benefit commencement" for the
24 purposes of section (1) and (2) above fixed and determined as the years of credited
25 service and age upon entry into the DROP and shall not earn credited service while
26 participating in the DROP or thereafter. ~~Re-employed retirees shall not accrue any~~
27 ~~additional years of credited service as a result of years of credited service earned, if any,~~
28 ~~after re-employment.~~

29 (4) A re-employed retiree who becomes covered by the City's health insurance
30 program shall retain the same entitlement to City contributions towards retiree health
31 insurance premium payments as existed immediately prior to re-employment and such
32 shall not be diminished by changes applicable solely to employees terminating after the
33 date of his or her re-employment.

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1 ~~(4)~~(5) Disability retirees. In the case of retirees who are receiving retirement
2 benefits pursuant to an approved application for disability retirement, the city would
3 make the following contributions towards premium payments, until the issue is studied
4 further:

5 Eighty percent of the individual premium if the retiree has individual
6 coverage and 155 percent of individual premium if the retiree has other
7 than individual coverage.
8

9 **Section 7.** If any section, sentence, clause or phrase of this ordinance is held to be invalid
10 or unconstitutional by any court of competent jurisdiction, then said holding shall in no
11 way affect the validity of the remaining portions of this ordinance.

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13 **Section 8.** All ordinances or parts of ordinances in conflict herewith are to the extent of
14 such conflict hereby repealed.

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16 **Section 9.** This ordinance shall become effective immediately upon final adoption.

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PASSED AND ADOPTED this _____ day of _____, 2000.

PAULA M. DeLANEY
MAYOR

ATTEST: Approved as to form and legality

KURT M. LANNON
CLERK OF THE COMMISSION

MARION J. RADSON
CITY ATTORNEY

This Ordinance passed on first reading this _____ day of _____, 2000.

This Ordinance passed on second reading this _____ day of _____, 2000.