

ORDINANCE NO. 96-7

AN ORDINANCE AMENDING THE RETIREMENT PLAN FOR GENERAL EMPLOYEES OF THE CITY OF NORTH MIAMI BEACH TO PROVIDE FOR THE ADOPTION OF AN EARLY RETIREMENT INCENTIVE PLAN; TO REVISE THE DEFINITION OF EMPLOYEE TO ALLOW ALL FULL TIME REGULAR EMPLOYEES TO PARTICIPATE; PROVIDING FOR SEVERABILITY; TO PROVIDE FOR THE REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; TO PROVIDE FOR THE CODIFICATION OF THIS ORDINANCE.

WHEREAS, the City Council has determined that it is in the best interest of the City to encourage senior City employees to retire by June 1, 1996; and

WHEREAS, the City Council wishes to encourage said members to retire by augmenting the retirement benefit otherwise available under the Retirement Plan for General Employees of the City of North Miami Beach; and

WHEREAS, the City Council has determined that the opportunity for augmented retirement benefits can only be offered for a limited amount of time and to a limited number of participants, based upon years of service with the City, in order to maximize the payroll savings to be realized through augmented early retirement benefits while preventing disruption to the essential services provided by the City; and

WHEREAS, the City Council desires to further amend the Retirement Plan to encourage and allow participation by all regular full-time employees; and

WHEREAS, the City Council has received, reviewed, and considered an actuarial impact statement describing the actuarial impact of the augmented benefits provided herein; and

WHEREAS, seventy-five (75) percent of the plan participants voted to approve the proposed amendments, as required by the Retirement Plan.

NOW, THEREFORE,

BE IT ORDAINED by the City Council of the City of North Miami Beach Florida.

SECTION 1. Article VI of the Retirement Plan for General Employees of the City of North Miami Beach is hereby amended subject to state approval, by adding Section 6.12 which shall state as follows:

§6.12 EARLY RETIREMENT INCENTIVE

Notwithstanding the provisions of subsections 6.01 and 6.02 above, those participants who, as of May 31, 1996, have attained the age of 55 and have completed at least twelve (12) years of credited service or who have attained the age of 59, regardless of years of service, shall be permitted to retire on or before June 1, 1996 on a date approved by the City Manager, and upon retirement, shall receive a service pension of 2.5% (.0250) of final monthly compensation, multiplied by years and completed calendar months of credited service, augmented by three

additional years of service credit, and, where appropriate, multiplied by the actuarial reduction factor to reflect retirement prior to age 62, with the participant's actual age at retirement augmented by three years of age.

Terms and conditions for early retirement incentive:

- (1) The application for retirement must be received by the Retirement Plan no later than 5:00 p.m. on May 1, 1996, unless extended by the City Manager. All applications for retirement submitted after February 1, 1996 shall be considered as an application under this early retirement incentive section;
- (2) As a condition of receiving a pension at the rates set forth above, the participant shall make an irrevocable application to the Retirement Plan for normal retirement on a date approved by the City Manager which must be before June 1, 1996 and shall retire on the date so approved unless the retirement date is extended by the mutual agreement of the participant, the Retirement Committee and the City Manager;
- (3) Any accrued annual and sick leave payouts remaining as per contractually established caps and due to a participant as of his or her designated retirement date, shall be paid by the City to the participant in three (3) equal installment payments, without interest, commencing after the participant's designated retirement date, with the remaining two (2) installment payments to be made on January 14, 1997 and January 13, 1998, except that:

Employees whose total accruals are less than \$9,000 will be paid up to \$3,000 at retirement. Remaining unpaid accruals above \$3,000 but less than \$6,000 will be paid on January 14, 1997. Remaining unpaid accruals \$6,000 or above will be paid on January 13, 1998.
- (4) The City shall pay prorated longevity accrual upon retirement.
- (5) Upon retirement, the City shall pay the participant a cash bonus equivalent to five percent (5%) of current annual salary.
- (6) The City shall provide the participant with single coverage HMO equivalent for 60 months (5 years) or until participant becomes eligible for medicare, whichever comes first. Retiree may upgrade his/her coverage by paying the difference in monthly premiums. At the end of this period retirees who selected this retirement window may participate in the City's health insurance plan in a manner similar to that available to other retirees at that time.

SECTION 2. Article II of the Retirement Plan for General Employees of the City of North Miami Beach is hereby amended, subject to state approval, as follows:

Definitions.

Employee means any person employed by the City on a regular full-time basis, excluding police officers, firefighters or City Council members, ~~or any other person who is not a member of the classified service of the City,~~ who is receiving compensation from the City for personal services, and who is within a group or classification of employees designated by the Retirement Board as eligible for membership in the plan, exclusive of the following groups and classifications:

- (a) ~~Persons whose services are compensated on a contractual basis;~~
- (b)(a) Persons employed on a provisional, original probationary or other temporary basis;
- (c)(b) Members of boards or commissions, officers or employees receiving no salary or a

nominal salary or a fee basis;

- (d)(c) Persons whose regular employment with the City is for less than twenty (20) hours per week or for not more than five (5) months in any one calendar year.

Section 3. The revised definition of Employee adopted at this time shall be applied as follows:

- (a) Employees participating in the plan at the time of the adoption of this ordinance shall continue to participate without change.
- (b) Current employees who meet the criteria of the revised definition of employee as determined by the City Manager and who are not currently participating in the plan, shall be given a one time opportunity to elect to participate, upon completion of the standard two year waiting period. Credited service for these employees shall begin upon entry into the plan and not from date of hire. Such employees shall have 90 days following the adoption of this ordinance or upon completion of their 2 year waiting period to make their election hereunder.

SECTION 4. Any cross-references in the Retirement Plan which are affected by changes in section number designations shall be adjusted accordingly.

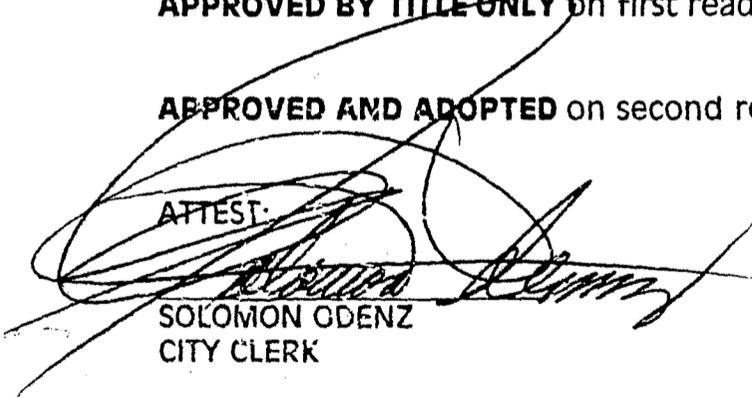
SECTION 5. All ordinances and parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 6. If any section, subsection, clause or provision of this Ordinance be held invalid, the remainder shall not be affected by such invalidity.

APPROVED BY TITLE ONLY on first reading this 2nd day of April, 1996.

APPROVED AND ADOPTED on second reading this 16th day of April, 1996.

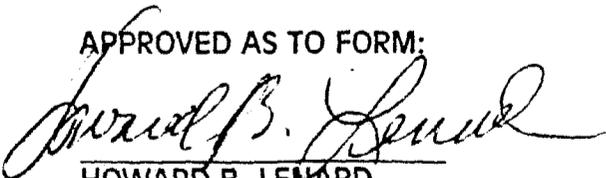
ATTEST:


SOLOMON ODENZ
CITY CLERK

(CITY SEAL)


JEFFREY A. MISHCON
MAYOR

APPROVED AS TO FORM:


HOWARD B. LENARD
CITY ATTORNEY

SPONSORED BY: Retirement Committee
Mayor and City Council