

ORDINANCE NO. 2005-7

AN ORDINANCE AMENDING THE GENERAL EMPLOYEES' RETIREMENT PLAN OF THE CITY OF NORTH MIAMI BEACH, FLORIDA; UPDATING THE DEFINITION OF ACTUARIAL EQUIVALENCE; APPROVING, ADOPTING AND RATIFYING ALL BUDGETED EMPLOYEE SALARY AND BENEFIT STANDARDS FOR ALL CITY EMPLOYEES AND AUTHORIZING THE CITY MANAGER TO PREFUND INSURANCE PREMIUMS UPON POLICY CONVERSION FOR ELIGIBLE EMPLOYEES; ADOPTING AND RATIFYING ALL AMENDMENTS TO CURRENT RETIREMENT PLANS REQUIRED BY NEW INTERNAL REVENUE CODE PROVISIONS. PROVIDING FOR THE REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the General Employees' Retirement Committee at its public meeting of November 18, 2004 reviewed, approved and recommended for adoption a plan amendment updating the actuarial equivalence basis to recognize recent improvements in life expectancies; and

WHEREAS, the amendment will enable benefit options under the plan to be determined on a more current actuarial basis; and

WHEREAS, Gabriel Roeder Smith & Company have determined that the update enacted herein is reasonable and appropriate and will not result in any additional funding cost to the Pension Fund and the City; and

WHEREAS, the Mayor and City Council have determined it to be in the best interest of all plan participants, City employees, residents and citizens of the City of North Miami Beach to enact the update conferred herein; and

WHEREAS, in connection with the deferred compensation plan maintained by the City of North Miami Beach, as employer, pursuant to Section 457 of the Internal Revenue Code of 1983, as amended (the "Code"), and administered by the International City Management Association (ICMA) Retirement Corporation, the City desires to adopt and ratify any required amendments to bring it into compliance with the recent amendments to the Code; and

WHEREAS, the Mayor and City Council of the City of North Miami Beach desire to adopt and ratify all budgeted employee salary and benefit standards and to authorize the City Manager to prefund insurance premiums upon policy conversion for eligible employees; and

WHEREAS, in connection with the Prototype Money Purchase Plan and Trust Agreement between the City and ICMA Retirement Corporation known as the Internal Revenue Code 401(a) plan for eligible employees, as amended, the City desires to adopt and ratify any required amendments to bring it into compliance with recent amendments to the "Code".

NOW, THEREFORE,

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

Section 1. The foregoing recitals are true and correct.

Section 2. Article II, Definitions, of the General Employees Retirement Plan of the City of North Miami Beach is hereby amended as follows:

Actuarial Equivalent as used herein means equality in value of the aggregate amounts expected to be received under different forms of payment. Actuarially Equivalent amounts will be determined for all purposes based on the ~~1951 Group Annuity Mortality Table projected by Scale C to 1965 with interest at 8.0% where the Participant's age shall be set back one (1) year and the Beneficiary's age shall be set back four (4) years for all calculations~~ 1994 Group Annuity Reserving Table, projected to 2002, based upon a fixed blend of 50% male mortality rates – 50% female mortality rates, per IRS Revenue Ruling 2001-62 with interest at 8.0% where the disabled Member's age shall be set forward five (5) years for all calculations.

Section 3. In connection with the ICMA deferred compensation plan maintained by the City of North Miami Beach for its employees pursuant to Section 457 of the Code, the City of North Miami Beach, as employer, hereby amends, to comply with all current Internal Revenue Code Provisions, and restates the deferred compensation plan in the form of the ICMA Retirement Corporation Deferred Compensation Plan and Trust.

The assets of the Plan shall be held in trust, with the City of North Miami Beach, as Employer, hereby agreeing to serve as Trustee, for the exclusive benefit of the Plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose. The Trustee's beneficial ownership of Plan assets held in the ICMA Retirement Trust shall be held for the further exclusive benefit of the Plan participants and their beneficiaries. The Plan will not permit loans.

Section 4. All currently budgeted employee salary and benefit standards are hereby adopted and approved and the City Manager is authorized, notwithstanding the limitations of Section 6, Ordinance No. 2004-14, to prefund insurance premiums upon policy conversion for eligible employees and to amortize the cost based on projected future premium reductions.

Section 5. In connection with the ICMA 401(a) retirement plan maintained by the City of North Miami Beach, as Employer, the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust Adoption Agreement is hereby re-adopted together with all amendments necessary to bring it into compliance with the code, as amended, and all budgeted standards of contribution, and shall continue to be maintained for the exclusive benefit of eligible employees and their beneficiaries, the City of North Miami Beach hereby agreeing to serve as Trustee and to invest all funds held under such plan in the ICMA Retirement Trust.

Section 6. The City Manager is hereby authorized to execute any and all documents required to accomplish the goals of this Resolution.

Section 7. If any section, subsection, clause or provision of this ordinance is held invalid the remainder shall not be affected by such invalidity.

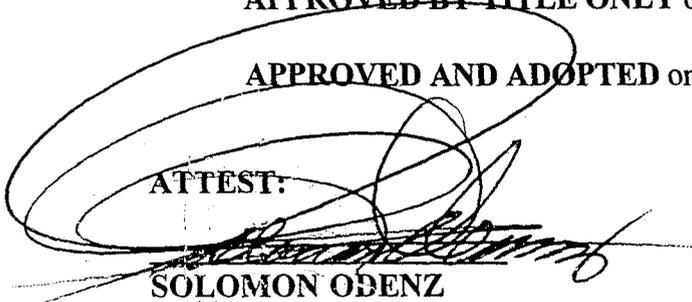
Section 8. A copy of this Ordinance and the actuarial statement in support thereof shall be furnished to the State of Florida Division of Retirement prior to second public hearing hereon pursuant to state law. Any changes required by the Division to bring the plan/plan amendment into compliance with state requirements shall be incorporated into this Ordinance, which shall then be approved and adopted at a final special third reading, if required.

Section 9. It is the intention of the City Council of the City of North Miami Beach and it is hereby ordained that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of North Miami Beach, Florida. The Sections of this Ordinance may be renumbered or relettered to accomplish this intention and the word "Ordinance" may be changed to "Section", "Article" or other appropriate word as the codifier may deem fit.

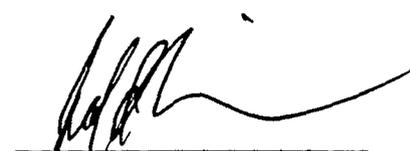
APPROVED BY TITLE ONLY on first reading this 15th day of March, 2005.

APPROVED AND ADOPTED on second reading this 5th day of April, 2005.

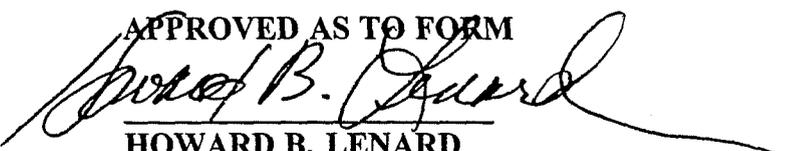
ATTEST:


SOLOMON ODENZ
CITY CLERK

(CITY SEAL)


JEFFREY A. MISHCON
MAYOR

APPROVED AS TO FORM


HOWARD B. LENARD
CITY ATTORNEY

Sponsored by: Mayor and City Council

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