



City of Eustis

P.O. Drawer 68 • Eustis, Florida 32727-0068 • (352) 483-5430

TO: EUSTIS CITY COMMISSION

FROM: TOM CARRINO, CITY MANAGER


DATE: AUGUST 3, 2023




RE: SECOND READING ORDINANCE NUMBER 23-04 AMENDING CHAPTER 70, PENSIONS AND RETIREMENT, ARTICLE III, MUNICIPAL FIRE OFFICERS' PENSION AND RETIREMENT SYSTEM; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE

Introduction:

This is the second reading for Ordinance Number 23-04 amending the Eustis Code of Ordinances, Chapter 70, Pensions and Retirement, Article III, City of Eustis Municipal Firefighters' Pension and Retirement System, Sections 70-62(b) Contributions, 70-67(a) Monthly Retirement Income for Firefighters, and 70-71(b)(1) defines the change in firefighters' disability benefits. Exhibit A to Ordinance 23-04 has all the changes underlined for the new wording and strikethrough for deletions. Below is the e-mail from the State of Florida, Division of Retirement approving the changes.

Eustis Municipal Firefighters' Pension Trust Fund: Impact Statement dated 03/17/2023, PlanID=0219

 Beckendorf, Douglas <Douglas.Beckendorf@dms.fl.gov>
To: Sheppard, Mike
Cc: local_ret

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Thu 4/27/2023 10:20 A

Caution: This email originated from outside of your organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

This email will serve as verification of receipt of the Impact Statement dated 03/17/2023 for the Eustis Municipal Firefighters' Pension Trust Fund with cover letter dated 04/21/2023.

Douglas E. Beckendorf, A.S.A., E.A.
Actuary, Division of Retirement
Governor Ron DeSantis, State of Florida
(850) 778-4605 (office) | (850) 410-2172 (fax)
We Serve Those Who Serve Florida



Recommended Action:

Staff recommends approval of Ordinance Number 23-04 on its second and final reading.

Background:

The City negotiated a new Collective Bargaining Agreement with the International Association of Firefighters (IAFF) Local 4731. The negotiations resulted in amendments to the current Collective Bargaining Agreement. Negotiations have concluded, the terms were approved by IAFF Local 4731 membership, and the terms were approved via Resolution 23-14 by the Eustis City Commission on February 2, 2023. Certain provisions of the agreement call for

changes to Chapter 70 Article III of the Eustis Code of Ordinances described in Exhibit A of Ordinance 23-04.

The pension changes approved by Resolution 23-14 and proposed in Ordinance 23-04 are described below:

- Bargaining unit members will contribute between 4% and 7.5% of their annual compensation to the Firefighters' Pension and Retirement System, based on the member paying 16% of the City's required contribution. The member's contribution will be 5.5% in FY 2022/23, after ratification. The member's contribution shall increase or decrease no more than 1% of their annual compensation for any fiscal year.
- Bargaining unit members hired after the date of ratification of this agreement will receive a 3% multiplier of average final compensation times years of service. Bargaining unit members hired prior to ratification of this agreement will retain the 4% multiplier.
- Bargaining unit members' base disability pension rate will be 45%, and increased by 2% each full year of the member's service, up to the maximum rate of service of 65%. The disability pension rate for a disability resulting from malicious or intentional acts against the bargaining unit member on duty or from active firefighting, or from a non-preventable traffic crash shall remain at 65%.

The Fire Pension Board met on Wednesday February 8, 2023. They were informed of the pension changes and the need for an impact statement regarding the changes as part of the process.

Upon City approval of the attached Ordinance and receipt of the impact statement, both documents were forwarded to the Municipal Fire Officers' and Firefighters' Retirement Trust Funds Office, Division of Retirement for their comments and approval. They were reviewed and approved by the state, Ordinance 23-04 is now brought back to Eustis City Commission for the second reading.

Alternatives:

- Approve Ordinance Number 23-04
- Deny Ordinance Number 23-04.

Discussion of Alternatives:

Alternative 1 approves the Ordinance.

Advantages:

- The agreement was mutually negotiated.
- The ordinance will comply with the provision described in Resolution 23-14, which was approved on February 2, 2023.

Disadvantages:

- The denial of Ordinance 23-04 would be negated and new negotiations with the bargaining unit would be necessary.

Alternative 2 denies the Ordinance 23-04

Advantages:

- None noted.

Disadvantages:

- Negotiations would be resumed which may lead to an impasse and arbitration, which can be time consuming and costly.

Community Input:

Staff has properly advertised the ordinance, and there will be an opportunity for public input at the public hearing.

Budget/Staff Impact:

There may be an immaterial administrative cost associated with establishment of the defined contribution plan per Chapter 175, F.S.; however, adjustments to the budget were defined in Resolution 23-14.

Prepared By:

Mike Sheppard, Finance Director

Attachments:

Ordinance 23-04

Exhibit A Changes to City of Eustis Code of Ordinance Article III Attached to Resolution.