



Town of Lake Park Town Commission

Agenda Request Form

Meeting Date: March 5, 2025

Originating Department: Human Resources

Agenda Title: Ordinance 01-2025 - Authorizing Participation in the Florida Retirement System (FRS) for All Town Employees - Effective July 1, 2025.

Agenda Category: Ordinance on First Reading.

Approved by Town Manager: _____ **Date:** _____

Cost of Item: \$80,028 **Funding Source:** Please see funds listed below*

Account Number: _____ **Finance Signature:** _____

Advertised:

Date: N/A **Newspaper:** _____

Attachments: Copy of Ordinance and Timeline for Entering Florida Retirement System and Leaving Corebridge

Please initial one:

BMT Yes I have notified everyone

_____ Not applicable in this case

Summary Explanation/Background:

Within the approved FY 2025 Budget, the Town Commission approved funding to participate/join in the Florida Retirement System (FRS), which is administered through the Florida Department of Management Services (FDMS). If approved, all Town employees and elected officials would begin to participate beginning on July 1, 2025.

The proposed pension plan is offered by the state of Florida and numerous counties, municipalities, school districts, state agencies and other eligible organizations participate in the FRS pension program as an opportunity to bring in the best possible candidates to serve in positions within the organizations as well as to assist in retaining employees. It is expected that this program will immediately assist with the various position openings that the Town maintains as well as an opportunity to retain our employees who maintain incredible knowledge and commitment in growing and supporting our community.

Note: Within the approved the Collective Bargaining Agreement (CBA) between the Town and the Federation of Public Employees, Division of the National Federation of Public and Private Employees (AFL-CIO) on November 20, 2024, the Town and the AFL-CIO agreed to move all bargaining unit members into the proposed FRS plan

Funding is included within the approved FY 2025 Budget to enable the Town to begin to participate in the proposed FRS pension program. Initial funding to support this change in employee benefits is expected to include:

- General Fund - \$58,720
- Community Redevelopment Agency - \$3,108
- Streets and Roads - \$1,105
- Stormwater - \$3,192
- Sanitation - \$7,320
- Marina - \$6,583

If approved on first reading, the proposed Ordinance will be presented to the Town Commission for second and final reading on March 19, 2025. Staff will immediately transmit the approved Ordinance to the FDMS – Division of Retirement and provide all requisite documentation to the FDMS – Division of Retirement to complete the initial participation process to ensure that the Town is eligible to participate in the new FRS pension program on or as close to July 1, 2025.

Further, if approved, the Town would immediately proceed with closing out (terminate) its current Town-sponsored employee pension program (Corebridge Retirement Plan), which consists of a 401(a) pension plan and a 457(b) deferred compensation plan. A proposed Letter of Intent to Terminate the current Corebridge retirement plan and an amendment of the Corebridge plan documents is expected to be provided to the Town Commission for consideration during the March 19, 2025, Town Commission meeting.

Finally, the Town's HR Department will lead/offer various employee outreach and education trainings to ensure that our current staff are fully apprised of all opportunities and resources that are offered within the new, proposed FRS pension program.

All proposed FRS participation costs, if approved, will be included within the proposed FY 2026 Budget for consideration by the Town Commission.

The proposed Ordinance was prepared by the Florida Department of Management Services – Division of Retirement and reviewed by the Assistant Town Manager/HR Director and the Interim Finance Director.

The Town has received information from a number of external agencies as well as current staff (along with the recommendation and agreement from the AFL-CIO) that this proposed employee pension benefit would contribute to improving the ability of the Town to recruit and retain employees.

Recommended Motion:

I move to approve Ordinance 01-2025 - Authorizing Participation in the Florida Retirement System (FRS) for All Town Employees - Effective July 1, 2025.