STAFF REPORT
REGULAR MEETING

AGENDA DATE: July 15, 2025 **DEPARTMENT:** Human Resources

TITLE:

Ordinance No. 2025-09 – First Reading – amending the City Code to provide that participation in the City's Pension Plan will be frozen for the person holding the position of City Clerk

SUMMARY:

The ordinance amends the City Code of Ordinance to no longer permit a specified employee to actively participate in the pension plan.

BACKGROUND AND JUSTIFICATION:

The City is the sponsoring employer of (i) the City of Lake Worth Beach Employees Retirement System ("Pension Plan"), and (ii) the City of Lake Worth Beach (FPDP) 401(a) Plan ("401(a) Plan").

In a separate staff report concerning a proposed Resolution, it has been recommended that the City enter into a Settlement Agreement and Release with City employee, Melissa Ann Coyne, to amicably resolve a dispute concerning the City-sponsored retirement benefits provided to the employee. To effectuate the settlement, it is necessary to amend the terms of the Pension Plan contained in the City's Code, to freeze the employee's participation in the Pension Plan such that the employee will instead become eligible to participate in the 401(a) Plan.

The proposed amendment is consistent with the City's long-term goals for its employee group retirement benefits, as any future new employee who were to be hired for the employee's job position (City Clerk), or hired for certain other job positions of similar or greater responsibility, would generally only be eligible to participate in the 401(a) Plan.

FISCAL IMPACT ANALYSIS:

The fiscal impact of freezing the employee's participation in the Pension Plan and enrolling the employee in the 401(a) Plan instead is not material in amount. The cost to the City of the employee's participation in the 401(a) Plan, equal to 10% of the employee's compensation plus general administrative expenses that the City incurs for the 401(a) Plan, will be offset, in whole or in part, by a reduction in the City's contribution obligation to the Pension Plan to fund the cost of future Pension Plan benefit accruals for the employee and general administrative expenses for the Pension Plan.

MOTION:

Move to approve/disapprove Ordinance No. 2025-09 on first reading and set the second reading and public hearing for August 5, 2025

ATTACHMENT(S):

Ordinance 2025-09
Letter dated June 27, 2025 from the Pension Plan's actuary opining that the proposed Ordinance will not have an actuarial impact on the Plan's funding