

STAFF REPORT REGULAR MEETING

AGENDA DATE: October 21, 2025

DEPARTMENT: Human Resources

TITLE:

First Amendment to the agreement for Legal Services with Akerman, LLP for services related to the City's pension and retirement plans

SUMMARY:

Approval of additional scope and funds for the Akerman, LLP Agreement for Legal Services for services related to the City's pension and retirement plans.

BACKGROUND AND JUSTIFICATION:

The City previously entered into an Agreement for Legal Services with Akerman, LLP in September 2023. The agreement was approved by the City Commission on April 16, 2024 for expenditures up to \$100,000. The agreement was approved by the City Commission on August 6, 2024 for expenditures up to an additional \$70,000. City staff has determined that the scope of this agreement needs to be amended to cover the extent of the work needed regarding the City's pension and retirement plans and the total annual amount will exceed the approved threshold. The City requires an additional \$120,000 to cover the expenses for the services during the next year. The agreement allows for an additional increase in this amount with the City Commission approval.

The legal services to be performed include addressing federally-mandated retirement plan changes and advising on compliance with the retirement plan-related provisions of the Internal Revenue Code, the Florida Protection of Public Employee Retirement Benefits Act, and the provisions of the Employee Retirement Income Security Act incorporated therein. Examples of the needed services include:

- Negotiating a favorable resolution with the Internal Revenue Service (IRS) in response to the City's pending submission under the IRS Voluntary Correction Program. Such resolution is anticipated to involve adoption of a governing plan document amendment with language to be approved by the IRS, in order to maintain the tax-qualified status of the City's 401(a) plan. (The City Commission previously approved the submission to the IRS VCP, but due to backlog at the IRS, it has not yet been reviewed by the IRS.)
- Advising the City on governing plan document amendments and administrative procedural updates to implement to comply with the federal SECURE 2.0 Act of 2022, which builds on the SECURE Act of 2019 and is the most comprehensive and far-reaching federal retirement plan legislation since the Pension Protection Act of 2006.
- Drafting and advising the City on its contractual arrangements with third party service providers to the City's retirement plans and assisting with consolidating plans and services to achieve cost savings and operational efficiencies.
- Drafting plan summaries and notices to be distributed to plan participants, with content required under federal and state law.
- Preparing or reviewing policies, agreements, and other documents related to the retirement plans' investment activities.
- Advising on retirement plan fiduciary duties under federal and state law and compliance with same.

The City, in its capacity as the plan sponsor and fiduciary of the City's retirement plans, requires these services in order to maintain the plans' tax-qualified status and keep the plans compliant, for the benefit of the plans and the participants, as tax-qualification errors can expose the City and all participants to adverse tax consequences.

MOTION:

Move to approve/disapprove the First Amendment to Agreement for Legal Services with Akerman, LLP, including an additional \$120,000 for legal services relating to the City's pension and retirement plans.

ATTACHMENT(S):

Fiscal Impact Analysis
Akerman Agreement

FISCAL IMPACT ANALYSISFive Year Summary of Fiscal Impact:

Fiscal Years	2026	2027	2028	2029	2030
Inflows/Revenues					
Appropriated (Budgeted)	0	0	0	0	0
Program Income	0	0	0	0	0
Grants	0	0	0	0	0
In Kind	0	0	0	0	0
Outflows/Expenditures					
Appropriated (Budgeted)	\$120,000	0	0	0	0
Operating	0	0	0	0	0
Capital	0	0	0	0	0
Net Fiscal Impact (If not budgeted)	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

Contract Award -Budgeted	
	Expenditure
Department	Human Resources/City Attorney
Division	Benefits/Legal
GL Description	Contractual Services / Other Contractual Service/Prof Svs. Legal
GL Account Number	540-1320-513.34-50/001-1110-514-31-10
Project Number	N/A
Requested Funds	\$30,000/\$90,000
Remaining Balance	\$0/\$578,000
Source of Revenue (i.e. Paygo. Current Revenue, Bond Money, Grants, etc.)	Current Revenues