



City of Hallandale Beach City Commission Agenda Cover Memo

Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

Meeting Date:	August 1, 2018		Item Type: <small>(Enter X in box)</small>	Resolution X	Ordinance	Other	
Fiscal Impact: <small>(Enter X in box)</small>	Yes	No	Ordinance Reading: <small>(Enter X in box)</small>	1st Reading X		2nd Reading	
	X			Public Hearing: <small>(Enter X in box)</small>	Yes	No	Yes
Funding Source:	N/A		Advertising Requirement: <small>(Enter X in box)</small>		Yes		No
							X
Account Balance:	N/A		Quasi Judicial: <small>(Enter X in box)</small>	Yes		No	
							X
Project Number :	N/A		RFP/RFQ/Bid Number:	N/A			
Contract/P.O. Required: <small>(Enter X in box)</small>	Yes	No	Strategic Plan Priority Area: <small>(Enter X in box)</small> Safety <input type="checkbox"/> Quality <input checked="" type="checkbox"/> Vibrant Appeal <input type="checkbox"/>				
		X					
Sponsor Name:	City Attorney		Department: City Clerk/City Attorney	Jennifer Merino, City Attorney			

Short Title:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE CITY TO FILE A LAWSUIT AGAINST THE HALLANDALE BEACH POLICE OFFICER'S & FIREFIGHTER'S PERSONNEL RETIREMENT TRUST AND BOARD OF TRUSTEES FOR THE HALLANDALE BEACH POLICE OFFICER'S & FIREFIGHTER'S PERSONNEL RETIREMENT TRUST; AND WAIVING THE CONFLICT RESOLUTION PROCEDURES SET FORTH IN CHAPTER 164, FLORIDA STATUTES.

Staff Summary:

Background:

The City is the sponsor of a defined benefit pension plan for its police officers and firefighters, known as the Hallandale Beach Police Officer's & Firefighter's Personnel Retirement Trust (the "Trust"). The Trust is administered by the Board of Trustees for the Hallandale Beach Police Officer's & Firefighter's Personnel Retirement Trust (the "Board").

In 2013, the City entered into collective bargaining agreements with the PBA and Local 3080 (hereinafter, the "CBAs" or the "Agreements"), which contained several changes to the Trust designed to decrease the City's financial obligations to the Trust. The City thereafter adopted Ordinance No. 2013-19, which codified the collectively agreed-upon pension changes. Prior to the City's adoption of Ordinance No. 2013-19, a draft of that Ordinance was presented to representatives of the PBA and Local 3080 as well as to the Board and its counsel; and the Trust's actuary, Douglas H. Lozen, of Foster & Foster, prepared an actuarial impact statement concerning the proposed changes (hereinafter, the "Impact Statement").

The Impact Statement, upon which City Staff and the City Commission relied to determine the economic impact associated with the foregoing pension changes, was prepared in a manner consistent with the plain language of Ordinance No. 2013-09. At the time of the adoption of the Ordinance, neither the Board nor the Unions asserted that the Plan amendments set forth in the Ordinance impermissibly impaired vested benefits; and

On April 3, 2017, counsel for the Board advised the Board that Ordinance No. 2013-19 may impermissibly impair accrued benefits. Board counsel further recommended that "steps be taken to bifurcate benefits earned prior to the applicable effective date (March 20, 2013 for police and August 7 for firefighters)." Board counsel also opined that, "the prorated portion of a member's COLA benefit that is tied to service performed prior to the applicable effective date should not be limited to eight COLA distributions (or the \$95,000 cap)."

On December 4, 2017, the Board ratified its decision to change the interpretation and application of the maximum limit on retirement benefits contained in Ordinance 2013-19. The City has, on several occasions, expressly objected to the Board's unilateral change in the interpretation and application of the Trust's benefits. The Trust's own actuary has determined that, as a result of the Board's change in the calculation of benefits, the City's unfunded liability of the retirement plan will substantially increase and the City's annual required contribution will increase significantly.

Chapter 164, Florida Statutes, requires a government entity to follow a dispute resolution process before filing suit against another government unless the governmental entity seeking to initiate litigation, by three-fourths vote of its governing body, determines that an immediate danger to the health safety or welfare of the public, or that significant legal rights will be compromised if a court proceeding does not take place before the provisions of Chapter 164 are complied with.

Counsel for the City recommend that the Commission finds that significant legal rights of the City have been compromised and will continue to be compromised if a court proceeding against the Board and Trust is not initiated prior to compliance with the requirements of Chapter

164 and that because of this danger, the City determines that no notice or public meeting or other proceeding as provided by Chapter 164 shall be required before a court proceeding.

Proposed Action:

Consideration of the attached resolution.

Attachment(s):

Exhibit 1 – Resolution