



Meeting Date: Sep 7, 2016

From (Dept.): City Clerk

Signature: 
Department Director

Approved for
Agenda: 
City Manager

Official Use Only

Reviewed by
City Attorney: 08/29/16

Council Action: _____

Date: _____

Subject: General Employee Pension Plan Revisions

Request for Approval: Resolution #RES2016-18, Amending Agreement #AGR2001-27

Summary Explanation and Background:

The City Clerk's office completed a comprehensive survey of similar municipal benefit plans. The analysis shows that the City's overall benefit plan is comparable to most others. However, after receiving criticism from the public regarding the level of this particular benefit, staff offered Council the option of amending this benefit in an effort to reduce personnel expenses, in hopes to prevent employees having to pay a portion of their health premium. Proposed Resolution amends the Plan by reducing City contribution rate from 6% to 5%, and reducing match to a maximum of 5%. The vesting schedule is amended to reach 100% at 6 years, rather than 5.

Fiscal Information:

_____ - _____ - _____
Project No.
(If applicable)

Amount: _____

Procurement Method: n/a

Purchase Requisition Number: _____

Recommended Action: Approve Resolution #RES2016-18, Amending the General Employee Pension Plan

Initiated by  / _____

From: [Andrew Hand](#)
To: [Mandy Roberts](#)
Cc: [Dawn Bowne](#)
Subject: RE: General Employee Pension Plan Revisions
Date: Monday, August 29, 2016 4:55:10 PM
Attachments: [image001.png](#)

Mandy,

The documents are legally sufficient.

Best Regards,



DISCLAIMER:

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From: Mandy Roberts [mailto:mroberts@dunnellon.org]
Sent: Monday, August 29, 2016 4:20 PM
To: Andrew Hand <ahand@shepardfirm.com>
Cc: Dawn Bowne <dbowne@dunnellon.org>
Subject: General Employee Pension Plan Revisions

Hi Andrew,

I have attached a resolution and adoption agreement for your review/approval. We are looking to have this finalized as soon as possible in preparation to publish with the agenda.

Thanks,

Amanda L. Roberts, CMC
Assistant City Clerk
City of Dunnellon
20750 River Drive
Dunnellon, FL 34431
Phone: 352-465-8500
Fax: 352-465-8505

RESOLUTION #RES2016-18

A RESOLUTION OF THE CITY OF DUNNELLON, FLORIDA; AMENDING THE DEFINED CONTRIBUTION RETIREMENT PLAN FOR THE GENERAL EMPLOYEES OF DUNNELLON, FLORIDA; PROVIDING FOR CONFLICTING RESOLUTIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Dunnellon established a Retirement Plan and Trust for the City of Dunnellon's General Employees pursuant to Ordinance 95-09; and

WHEREAS, the Retirement Plan and Trust agreement was executed on December 11, 1995; and

WHEREAS, the Plan and Trust authorizes the City Commission to amend the Plan and Trust, in whole or in part, either retroactively or prospectively, by delivering to the Trustee a written amendment in accordance with the limitations set out in that section; and

WHEREAS, the City Council desires to amend the Plan and Trust to change the contribution rate from a 6% non-elective contribution, to a 5% non-elective contribution. The City will match 100% of employee contributions to the 457(b) Deferred Compensation plan, with the match going to the 401(a) Defined Contribution plan, for up to 5% of the employee's contribution.

WHEREAS, the City Council desires to amend the vesting schedule for employees hired after September 30, 2016.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF DUNNELLON, FL:

SECTION 1. The City Council of Dunnellon, Florida, in its capacity as the Trustee of the Retirement Plan and Trust for the employees of Dunnellon hereby approves the changes as set out forth below, with additions to the Plan and Trust indicated by underlining (underlining) and deletions by strike through (~~stricken through~~).

■ **Non-elective Contributions** – Participating Employer Non-elective Contributions will be made on the following basis (must specify):

~~6% employer contribution~~ 5% employer contribution

■ **Matching Contributions**

Matching Contributions are Participating Employer Contributions that may be made to match all or a portion of a Participant's contribution to an eligible 457(b) deferred compensation plan.

The amount of Matching Contributions made for a Participant each Plan Year will be:

~~100% match, up to 6% of such Participant's Employee Basic Contributions~~
100% match, up to 5% of such Participant's Employee Basic Contributions

~~A Participant becomes vested in his or her Plan Account according to:~~

A Participant in the plan hired on or before 09/30/2016, becomes Vested in his or her Plan Account according to:

■ The schedule marked below

Vested percentage					
Years of Vesting Service	[]	[]	[X]	[]	[]
1	0%	0%	0%	0%	100%
2	0%	0%	25%	20%	****
3	100%	0%	50%	40%	****
4	****	0%	75%	60%	****
5	****	100%	100%	80%	****
6	****	****	****	100%	****
7	****	****	****	****	****
8	****	****	****	****	****
9	****	****	****	****	****
10	****	****	****	****	****

A Participant in the plan hired after 09/30/2016, becomes Vested in his or her Plan Account according to:

■ The schedule marked below

Vested percentage					
Years of Vesting Service	[]	[]	[]	[X]	[]
1	0%	0%	0%	0%	100%
2	0%	0%	25%	20%	****
3	100%	0%	50%	40%	****
4	****	0%	75%	60%	****
5	****	100%	100%	80%	****
6	****	****	****	100%	****
7	****	****	****	****	****
8	****	****	****	****	****
9	****	****	****	****	****
10	****	****	****	****	****

SECTION 2. The City Council of Dunnellon hereby empowers the Chairperson or its appointee of the City of Dunnellon the authority to execute such documents and agreements as are required to effectuate this amendment of the Plan.

SECTION 3. Resolutions in Conflict Repealed. All Resolutions or parts of Resolutions, in conflict with this Resolution are hereby repealed.

SECTION 4. Effective Date. This Resolution shall become effective October 1, 2016.

IN WITNESS WHEREOF, Upon motion duly made and carried, the foregoing Resolution was adopted by the City Council of the City of Dunnellon and caused it to be executed by the officers below on this 26th day of September, 2016.

ATTEST:

CITY OF DUNNELLON, FLORIDA

DAWN M. BOWNE, MMC
City Clerk/Interim City Manager

NATHAN WHITT, MAYOR

Approved as to form and legality:

Andrew Hand, City Attorney

Florida Municipal Pension Trust Fund

§ 401(a) Defined Contribution Plan

Adoption Agreement

Please tell us about the Participating Employer:

REF: AGR#2001-27 & RES#2016-18

Name of Government Entity	City of Dunnellon
Address	20750 River Drive
Address	
City-State-Zip	Dunnellon, FL 34431
Individual to Receive Plan Notices	Ms. Dawn Bowne
Title	City Clerk
Telephone	352-465-8500
Fax	
e-mail	dbowne@dunnellon.org

Your Plan Administrator is:

Florida League of Cities, Inc.
301 S. Bronough Street
P.O. Box 1757
Tallahassee, Florida 32302
Phone: (850) 222-9684
Fax: (850) 222-3806

Contacts: Jeremy Button, Senior Analyst, jbutton@flcities.com

Plan Provisions

The Participating Employer will use FMPTF's § 401(a) Defined Contribution Plan Document.

For any Plan choice that this Adoption Agreement fails to specify, the Participating Employer is deemed to have specified the first-displayed choice.

Your Plan Year is:

- October 1 – September 30
- January 1 – December 31
- Other _____

Payroll Periods

The payroll period of the Participating Employer is:

- weekly
- bi-weekly
- semi-monthly
- monthly
- other [specify]: _____

Who's eligible?

Generally, the following employee classes are allowed to participate in the Plan:

- General Employees
- Police Officers
- Firefighters

An Employee is eligible to share in Non-elective Contributions and Matching Contributions (to the extent provided under the Plan) if he or she meets all of the following three eligibility conditions:

1. Age condition

An Employee is eligible if he or she has attained:

- no age requirement
- age 16
- age 18
- age 21

2. Service condition

An Employee is eligible if he or she has completed:

- no service requirement
- 6 Months of Eligibility Service
- 1 Year of Eligibility Service
- Other: _____

3. Excluded Employees

Every Employee shares in Non-elective Contributions and Matching Contributions except an Employee who belongs to a classification specified below:

Special Risk, Part-time, Temporary or Seasonal employees, employees compensated for less than 2080 hours per year, and employees not employed as full-time permanent employees

Participating Employer Contributions

A Participating Employer may make Non-elective Contributions and/or Matching Contributions as specified below. Non elective Contributions and Matching Contributions that are tied to Payroll Periods (as defined in this Adoption Agreement) must be remitted to the Plan Administrator no later than 15 business days after the Payroll Period. Annual Contributions

must be remitted to the Plan Administrator no later than 15 business days after the end of the Plan Year. A Participating Employer may establish different classes of Employees for contribution purposes in this Adoption Agreement. The Participating Employer hereby elects to make Contributions as follows (choose one or both as applicable):

Non-elective Contributions – Participating Employee Non-elective Contributions will be made on the following basis (must specify):

Non-elective Contributions – Participating Employer Non-elective Contributions will be made on the following basis (must specify):

5% employer contribution

Matching Contributions

Matching Contributions are Participating Employer Contributions that may be made to match all or a portion of a Participant's contribution to an eligible 457(b) deferred compensation plan.

If the Participating Employer provides Matching Contributions, the amount of Matching Contributions made for a Participant each Plan Year will be (choose only one):

100% match, up to 5% of such Participant's Employee Basic Contributions.

_____% of the Participant's Employee Basic Contributions, which cannot exceed _____% of the Participant's Benefit Compensation.

other formula (requires approval from the FMPTF) _____

Non-elective Contributions and Matching Contributions in the year of termination

A Participant shall receive the Employer Contribution during the year of termination regardless of time completed, subject to the vesting schedule.

Benefit Compensation

Benefit Compensation means the Participant's:

Benefit Compensation as defined in Provision 3.13 in the Plan Document.

other [specify] (requires approval from the FMPTF)

Benefit Compensation as defined in Provision 3.13 in the Plan Document, also including over-time pay, and excluding sick pay.

Vesting for Participating Employer Non-elective Contributions and Matching Contributions

A Participating Employer may establish a vesting schedule for Participating Employer Non-elective Contributions and Matching Contributions. This means that if the Participant leaves the Participating Employer’s employment prior to completing a specified minimum period of service (not to exceed 5 years), the Participant forfeits the Participating Employer’s Non-elective Contributions and Matching Contributions. However, upon Death, Disability, or the Termination of the Plan, the Participant is 100% vested in the Participant’s Participating Employer Non-elective Contributions and Matching Contributions, notwithstanding any vesting schedule. If a vesting schedule is established, it is the Participating Employer’s responsibility to calculate the Participants service and report it to the Plan Administrator. The Participating Employer hereby elects the following:

A Participant in the plan hired *on or before 09/30/2016*, becomes Vested in his or her Plan Account according to:

Immediate vesting
 -or-

The schedule marked below

Years of Vesting Service	Vested percentage				
	[]	[]	[X]	[]	[]
1	0%	0%	0%	0%	100%
2	0%	0%	25	20%	****
3	100%	0%	50%	40%	****
4	****	0%	75%	60%	****
5	****	100%	100%	80%	****
6	****	****	****	100%	****
7	****	****	****	****	****
8	****	****	****	****	****
9	****	****	****	****	****
10	****	****	****	****	****

Florida Municipal Pension Trust Fund
 § 401(a) Defined Contribution Plan
 Adoption Agreement – Page 5

A Participant in the plan hired *after 09/30/2016*, becomes Vested in his or her Plan Account according to:

Immediate vesting

-or-

The schedule marked below

Years of Vesting Service	Vested percentage				
	[]	[]	[]	[X]	[]
1	0%	0%	0%	0%	100%
2	0%	0%	25%	20%	****
3	100%	0%	50%	40%	****
4	****	0%	75%	60%	****
5	****	100%	100%	80%	****
6	****	****	****	100%	****
7	****	****	****	****	****
8	****	****	****	****	****
9	****	****	****	****	****
10	****	****	****	****	****

Unless otherwise specified above, the vesting period will begin on the Participant’s first day of employment as an Eligible Employee. In addition, unless otherwise indicated above, Eligible Employees who are employed on the date the Plan is adopted by the Employer will be given credit for prior service as an Eligible Employee for purposes of satisfying the vesting schedule. Also, unless otherwise provided above, different periods of service as an Eligible Employee will be added together in determining whether the vesting period has been satisfied.

Restated Plan - If this is a Restated Plan to an existing defined contribution plan and the Vesting Schedule has been amended by this Restated Plan, enter the pre-amended vesting schedule below:

a. _____ Years of Service Percentage Years of Service Percentage

b. X Schedule has not been amended.

Years of Vesting Service

A year of vesting service shall be measured from the Participant's date of hire. The completion of twelve calendar months from the date of hire shall count as a year of vesting service. Any years of vesting service credited from prior years shall remain credited, regardless of revised provisions.

Forfeitures

Forfeitures shall be held in a Forfeiture Account and be used to reduce future Participating Employer Contributions.

Normal Retirement Age

An employee may separate service at any time, and access the vested portion of their retirement account balance. The 401(a) Plan Document declares a Normal Retirement Age, but the Plan Sponsor may declare their own Normal Retirement Age if they wish.

The Plan utilizes the Normal Retirement Age in the Plan Document.

The Plan utilizes an alternative Normal Retirement age (no later than 70 ½): _____

Hardships

An Employee must have IRS approved backup in order to request a Hardship withdrawal from the Plan. A Participating Employer may limit Employee Hardship withdrawals from the Plan. Hardship withdrawals are limited to the following:

An Employee may make a Hardship withdrawal as necessary

An Employee may make a Hardship withdrawal 1 time(s) every _____ months

Hardship withdrawals are disallowed from the Plan for any reason

Changing and Terminating this Adoption Agreement

If a Participating Employer desires to amend any of its elections contained in this Adoption Agreement, the Participating Employer by official action must adopt an amendment to the Adoption Agreement or a new Adoption Agreement must be adopted and forwarded to the FMPTF for approval.

This Adoption Agreement may be terminated only in accordance with the Plan.

Adopting the Plan

By signing below, the Participating Employer adopts the FMPTF 401(a) Defined Contribution Plan (“Plan”). The Participating Employer acknowledges that it received a copy of the Plan. The Participating Employer shall receive copies of any Plan amendments made by the FMPTF.

The Participating Employer’s signer represents that he or she is a proper officer of and has authority to enter into this Adoption Agreement as an obligation of the Participating Employer.

BY:

Date: _____

Nathan Whitt, Mayor

Accepted for the:

Florida Municipal Pension Trust Fund

By the Administrator:

Florida League of Cities, Inc.

Date: _____