

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

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Meeting Date: October 17, 2006	<input checked="" type="checkbox"/>	Consent	<input type="checkbox"/>	Regular
Department	<input type="checkbox"/>	Workshop	<input type="checkbox"/>	Public Hearing
Submitted For: <u>FIRE RESCUE</u>				

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I. EXECUTIVE BRIEF

Motion and Title:

Staff recommends motion to:

- A) consent** to the Town of Lantana's (Town) Amendment of its Firefighter's Pension Fund Plan as set forth in the Town's proposed Ordinance; and
- B) direct** staff to communicate to the Town the County's express written consent to the Town's Amendment of its Firefighter's Pension Fund Plan as set forth in the Town's proposed Ordinance.

Summary:

According to the requirements outlined in the Interlocal Agreement with the Town of Lantana (R97-1252D) for fire-rescue services, the Town shall not make any changes to the Lantana Firefighter's Pension Fund without first obtaining the express written consent of the County. The County has been asked to consent to the proposed plan Amendment which is being made as a result of changes made in the Pension article of the 2005-2008 Collective Bargaining Agreement between Palm Beach County and the Professional Firefighters and Paramedics of Palm Beach County, Local 2928. The proposed ordinance includes a provision for a cost of living increase (COLA), consistent with that provided by the Florida Retirement System (FRS). Such COLA would not become effective until the employee has reached the age of fifty-five (55).

Countywide (SB)


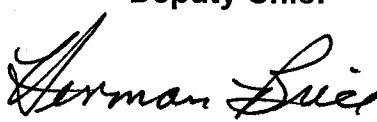
Background and Policy Issues:


In 1997, the County and the Town of Lantana entered into Interlocal Agreements No. R97-1073D and R97-1252D relating to the provision of fire-rescue services to the Town by the County. At that time, the employees of Lantana's Fire Department became County employees, but remained in the Town's Firefighters' Pension Fund. Pursuant to Section 9 of Interlocal Agreement No. R97-1252D, the Town shall not amend its Firefighters' Pension Fund Plan without first obtaining the express written consent of the County. Interlocal Agreement R97-1252D was specifically renewed and incorporated into the current Interlocal Agreement between the County and the Town, dated February 24, 2004 (R2004 0364).

Attachments:

1. Letter from Attorney for the Professional Firefighters/Paramedics of Palm Beach County, Local 2928, IAFF, Inc.
2. City of Lantana Proposed Ordinance
3. Lantana Firefighter's Pension Fund Impact Statement

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Recommended By: <u></u>	<u>9-20-06</u>
Deputy Chief	Date
Approved By: <u></u>	<u>9-21-06</u>
Fire-Rescue Administrator	Date



II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2007	2008	2009	2010	2011
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	<u>305,544</u>	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
 NET FISCAL IMPACT	 <u>305,544</u>	 _____	 _____	 _____	 _____
 # ADDITIONAL FTE POSITIONS (Cumulative)	 _____	 _____	 _____	 _____	 _____

Is Item Included in Current Budget? Yes XX No _____

Budget Account No.: Fund 1300 Dept 440 Unit VARIOUS Object 2210

B. Recommended Sources of Funds/Summary of Fiscal Impact:

The current Collective Bargaining Agreement included a change to provide an annual COLA for members of the Lantana Pension Fund. The County is responsible for funding the pension fund shortfall of up to \$305,544 for FY 2007, and any future shortfalls depending on Chapter 175 receipts.

C. Departmental Fiscal Review:

[Signature]

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

[Signature] 9-28-06
OFMB
9/28/06
[Signature] 9-29-06
Contract Dev. and Control
9/29/06

B. Legal Sufficiency:

[Signature] 9-29-06
Assistant County Attorney

C. Other Department Review:

Department Director

THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.

RECEIVED

JUL 24 2006

P.B. COUNTY ATTORNEY

3900 WOODLAKE BOULEVARD
SUITE 212
LAKE WORTH, FLORIDA 33463-3045
TELEPHONE: (561) 966-1200
FACSIMILE: (561) 966-1231

LAW OFFICES

MIERZWA & ASSOCIATES, P.A.

MATTHEW J. MIERZWA, JR.
MARK W. FLOYD
LINDA L. ROBERTS
MILTON R. COLLINS

Of Counsel:
JOSEPH H. KAPLAN

July 19, 2006

Sharon Burrows, Esquire
Assistant County Attorney
Palm Beach County
301 North Olive Avenue, Suite 601
West Palm Beach, FL 33401

Re: Lantana Firefighters' Pension Fund ✓
Pension Plan - Ordinance Amendment
File No.: 961896.7000

Dear Ms. Burrows:

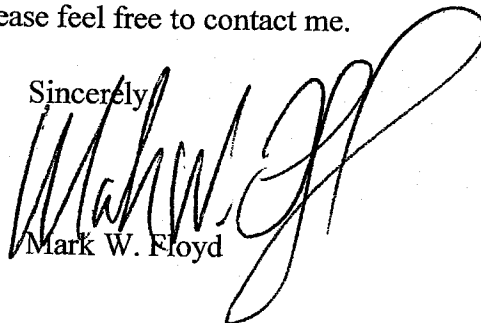
As you may know, this firm represents the Board of Trustees of the Lantana Firefighters' Pension Fund.

Pursuant to the recent amendment to Article 34, Section 2, of the collective bargaining agreement between Palm Beach County and the Professional Firefighters/Paramedics of Palm Beach County, Local 2928, IAFF, Inc., enclosed is a proposed ordinance providing for an annual cost of living adjustment similar to that provided by the Florida Retirement System. You will also find enclosed a copy of the actuarial impact statement and the actuarial cost estimate in connection with the above mentioned proposal.

Pursuant to Section 9 of the interlocal agreement between Palm Beach County and the Town of Lantana, the Town of Lantana requires the written consent of the County before adopting this ordinance. Accordingly, please provide the required consent to the Town of Lantana.

If you have any questions or comments, please feel free to contact me.

Sincerely,



Mark W. Floyd

Enclosures

c Darla Levy, Clerk, Town of Lantana (w/enclosures)

Attachment 2

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LANTANA, FLORIDA, AMENDING CHAPTER 14. PERSONNEL. OF THE CODE OF ORDINANCES OF THE TOWN OF LANTANA AT ARTICLE IV. PENSIONS AND RETIREMENT. BY AMENDING DIVISION 3. FIREFIGHTERS' PENSION FUND. TO GRANT EMPLOYEES ACTIVE AS OF OCTOBER 1, 2005, A 3% COMPOUND COLA AT SECTION 14-106; PROVIDING THAT EACH AND EVERY OTHER SECTION AND SUBSECTION OF CHAPTER 14. PERSONNEL. SHALL REMAIN THE SAME AS PREVIOUSLY ENACTED; PROVIDING A CONFLICTS CLAUSE; A SEVERABILITY CLAUSE AND AUTHORITY TO CODIFY; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the Town of Lantana and Palm Beach County entered into the "Interlocal Agreement for Fire Protection and Emergency Medical Services by and between the Town of Lantana and Palm Beach County" (File No. R97-1073D) dated August 26, 1997, as supplemented by "Interlocal Agreement Implementing Section 6.D. of the Interlocal Agreement for Fire Protection and Emergency Medical Services by and between Palm Beach County and the Town of Lantana" (File No. R97-1252D) dated September 16, 1997 (the "Pension Interlocal"); and the Town has recently entered into a new "Interlocal Agreement for Fire Protection and Emergency Medical Services by and between the Town of Lantana and Palm Beach County" (File No. R2004-0364) dated February 24, 2004 (the "Current Interlocal"), which specifically renewed the terms of the Pension Interlocal at Section 6.C. of the Current Interlocal; and

WHEREAS, the Professional Firefighters/Paramedics of Palm Beach County, Local 2928, IAFF, Inc., and Palm Beach County have negotiated and agreed to grant employees actively employed as of October 1, 2005, a 3% compound cost of living adjustment (COLA); and

WHEREAS, the Town Council desires to revise its Firefighters' Pension Fund Ordinance in order to provide a 3% compound COLA for members of the Lantana Firefighters' Pension Fund actively employed by Palm Beach County as of October 1, 2005, consistent with those benefits provided under the County's collective bargaining agreement; and

WHEREAS, Section 9. Of the Pension Interlocal requires written consent from Palm Beach County prior to making changes to the Firefighters' Pension Fund ordinance and such consent for the above-referenced modifications was approved by the Board of County Commissioners at the meeting held on the _____ day of _____, 2006.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LANTANA, FLORIDA, THAT:

Section 1: Chapter 14. Personnel. of the Code of Ordinances of the Town of Lantana is hereby amended at Article IV. Pensions and Retirement. at Division 3. Firefighters' Pension Fund. at Section 14-106. Requirements for retirement - Defined benefit portion of the fund; benefits; limitation. by creating and adding Section 14-106(h) Cost-of-living adjustment of benefits. and enacting it to read as follows:

Sec. 14-106(h) Cost-of-living adjustment of benefits.

For Retirees or Beneficiaries receiving an initial benefit on or after October 1, 2005, retirement income shall be increased by three percent (3%) on October 1 of each year after the later of the date on which the Retiree attains age 55 years or one (1) year after receipt of an initial benefit. As used in this section, "initial benefit" means the first monthly benefit payable to a retiree or beneficiary in accordance with the ordinance governing the determination of such benefit at the time of retirement or earlier death. In order to receive a cost-of-living adjustment of benefits, a participant must have been actively employed by Palm Beach County Fire-Rescue on or after October 1, 2005.

Section 3: Each and every other Section and Subsection of Chapter 14. Personnel. shall remain in full force and effect as previously enacted.

Section 4: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

Section 5: Should any Section or provision of this Ordinance or any portion thereof, any paragraph, sentence or word be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder of this Ordinance.

Section 6: Specific authority is hereby granted to codify and incorporate this Ordinance into the existing Code of Ordinances of the Town of Lantana.

Section 7: The Ordinance shall be retroactively effective to October 1, 2005, upon adoption.

FIRST READING this ____ day of _____, 2006.

SECOND AND FINAL READING this ____ day of _____, 2006.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

TOWN OF LANTANA

Aye

Nay

MAYOR

Aye

Nay

COUNCIL MEMBER

Aye

Nay

COUNCIL MEMBER

Aye

Nay

COUNCIL MEMBER

Aye

Nay

COUNCIL MEMBER

Attest:

TOWN CLERK

(Seal)

Approved as to form and
legal sufficiency.

TOWN ATTORNEY

Attachment 3

Lantana Firefighters' Pension Fund
IMPACT STATEMENT – April 25, 2006

Description of Ordinance Changes

Grant actives and their beneficiaries who commence benefits after September 30, 2005 a 3% compound annual cola upon the later of age 55 or 1 year after retirement.

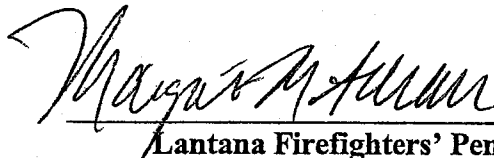
Funding Implications of Ordinance Changes

An actuarial cost estimate for the amendments is attached.

Certification of Administrator

The actuary has been furnished with a description of the Ordinance changes.

I believe the amendment to be in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article IV, of the Constitution of the State of Florida.

 Margaret M. Allen, Administrator
Lantana Firefighters' Pension Fund

Lantana Firefighters' Pension Fund

ACTUARIAL COST ESTIMATE – April 25, 2006

Data and Actuarial Assumptions

The data and actuarial assumptions used for the cost estimate were the same as used for the September 30, 2005 actuarial valuation.

Description of Proposed Ordinance Changes

Grant actives and their beneficiaries who commence benefits after September 30, 2005 a 3% compound annual cola upon the later of age 55 or 1 year after retirement.

Contribution Implications:

	Percents of Payroll	F/Y 06/07 Dollars	
Before Amendments			
Normal Cost	20.89%		
Unfunded Actuarial Accrued	15.30%		
FS 112.64(5) Compliance	5.11%		
Administrative Expenses	<u>1.53%</u>		
Total	42.83%	\$1,095,867	
After Amendments			
Normal Cost	25.49%		
Unfunded Actuarial Accrued	22.64%		
FS 112.64(5) Compliance	8.21%		
Administrative Expenses	<u>1.53%</u>		
Total	57.87%	1,480,687	
Change from Amendments			
Normal Cost	4.60%		
Unfunded Actuarial Accrued	7.34%		
FS 112.64(5) Compliance	3.10%		
Administrative Expenses	<u>0.00%</u>		
Total	15.04%	\$384,820	
Allocation of Contribution Increase	Before Amendment	After Amendment	Change
To Members	2.00%	2.00%	0.00%
To Chapter 175	2.66%	2.66%	0.00%
Additional Premium Tax Revenue	0.47%	15.51%	15.04%*
To County	<u>37.70%</u>	<u>37.70%</u>	<u>0.00</u> *
	42.83%	57.87%	15.04%

* The County is responsible for funding the shortfall of up to \$305,544 (\$384,820-\$79,276 additional premium tax revenue) during the fiscal year ending September 30, 2007, and any future shortfalls depending on chapter 175 receipts.

Lantana Firefighters' Pension Fund

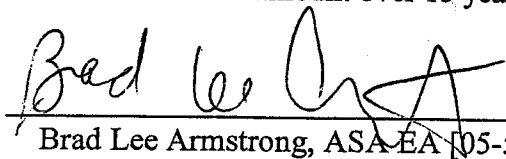
ACTUARIAL COST ESTIMATE – April 25, 2006

Actuarial Present Values (thousands of dollars)

	Before Amendment	After Amendment	Change
Actuarial Present Value for:			
Retired members & beneficiaries	\$584	\$584	\$0
Vested terminated members	275	275	0
Active Member			
Service pensions	13,769	16,787	3,018
Vested termination pension	210	282	72
Disability pension	268	308	40
Survivor pension - pre	137	164	27
Survivor pension - post	0	0	0
Terminated refunds	9	9	0
Share accounts	1,637	1,637	0
Total - Active Member	16,030	19,187	3,157
Total APV of Proposed Benefits	16,889	20,046	3,157
Actuarial Accrued Liability	12,710	15,087	2,377
Unfunded Actuarial Accrued Liability	4,022	6,399	2,377
APV Member Future Salary	20,316	20,316	0
APV Member Future Contributions	406	406	0

Comments

The increase in actuarial accrued liability was financed as a level dollar amount over 15 years.

 4/25/06
 Brad Lee Armstrong, ASA-EA [05-5614]