



Legislation Details (With Text)

File #: R-2015-214 **Version:** 1 **Name:** Reso Suit 3 Pension Bds 13th Check
Type: Resolution **Status:** Passed
File created: 6/26/2015 **In control:** Office of the City Attorney
On agenda: 7/8/2015 **Final action:** 7/8/2015
Title: A Resolution Of The City Commission Of The City Of Hollywood, Florida, Authorizing The City Attorney To File Civil Actions Against The Boards Of Trustees Of The Police Of Officers Retirement System, The Firefighters Pension System, And The Employees Retirement Fund (Collectively, The "Boards") For The Improper Payment Of Supplemental Distributions.

Sponsors:

Indexes:

Code sections:

Attachments: 1. rsuit13thcheck3boards.pdf

Date	Ver.	Action By	Action	Result
7/8/2015	1	Regular City Commission Meeting	adopt	Pass

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Authorizing The City Attorney To File Civil Actions Against The Boards Of Trustees Of The Police Of Officers Retirement System, The Firefighters Pension System, And The Employees Retirement Fund (Collectively, The "Boards") For The Improper Payment Of Supplemental Distributions.

Staff Recommends: Approval of the attached resolution.

Explanation:

The pension plan for Hollywood police officers provides for a supplemental distribution to eligible retirees for each year in which the rate of investment return on the assets of the fund exceeds the assumed rate. The pension plan for Hollywood firefighters provides for the payment of a supplemental distribution to eligible retirees for each year in which the rate of investment return on the assets of the fund exceeds the assumed rate. The pension plan for Hollywood general employees provides for the payment of a supplemental distribution to eligible retirees for each year in which the rate of investment return on the assets of the fund exceeds the assumed rate plus 2%.

The payment of supplemental distributions is governed not only by the pension plans but also by Florida Statute Section 112.61. Section 112.61 says, in relevant part, that the actuarial experience of a pension fund may be used to fund additional benefits only if the present value of such benefits does not exceed the net actuarial experience accumulated from all sources of gains and losses.

Each of the City's three pension boards has made one or more supplemental distributions totaling millions of dollars which, in the opinion of the City Attorney, violated Section 112.61 and which have had and/or will have the effect of increasing the City's required contributions to the plans by millions

of dollars. As a result, the City Attorney recommends that the City Commission authorize the filing of one or more civil actions against the Boards and any other appropriate parties to enforce the City's rights with respect to the supplemental distributions made by the Boards and to seek any and all relief to which the City may be entitled.

The Florida Governmental Conflict Resolution Act (the "Act") creates a mandatory governmental conflict resolution procedure that must be complied with prior to the filing of a civil action by one governmental entity against another governmental entity, unless the first government entity, by a three-fourths vote of its governing body, finds that an immediate danger to the health, safety, or welfare of the public requires immediate action, or that significant legal rights will be compromised if a court proceeding does not take place before the provisions of the Act are complied with.

Recommended for inclusion on the agenda by:

Jeffrey P. Sheffel, City Attorney

Wazir A. Ishmael, Ph.D., City Manager

George Keller, Assistant City Manager/Finance & Administration