



COUNCIL AGENDA STATEMENT

Meeting Date: March 8, 2022

To: Honorable Mayor and City Councilmembers

From: Fire Pension Board

Through: George Garrett, City Manager

Agenda Item: **Resolution 2022-29**, Authorizing The Correction Of Pension Language To Comply With State Standards.

BACKGROUND & JUSTIFICATION:

The existing language does not permit members to buy previous years of Marathon service. The revision of the pension language will amend this.

CONSISTENCY CHECKLIST:

	Yes	No
1. Comprehensive Plan	_____	_____
2. Other _____	_____	_____
3. Not applicable _____		

FISCAL NOTE:

The funds have been budgeted for fiscal year 2022-2023.

RECOMMENDATION: Approve Resolution

**CITY OF MARATHON, FLORIDA
RESOLUTION 2022-29**

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA APPROVING OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MARATHON AND THE PROFESSIONAL FIREFIGHTERS OF MARATHON LOCAL 4396 TO ALLOW FIREFIGHTERS TO REPURCHASE TIME FROM THEIR RETIREMENT PLAN AND TRUST AND ALLOW CONTRIBUTIONS WHILE ON WORKERS COMPENSATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, City of Marathon (“City”) has established a defined benefit plan for the city’s full-time firefighters known as the Retirement Plan and Trust for the Firefighters of the City of Marathon (“Plan”) and has adopted a prototype plan drafted and maintained by the Florida League of Cities, Inc.; and

WHEREAS, the terms of that Plan are negotiated with the Professional Firefighters of Marathon Local 4396 (“Union”); and

WHEREAS, the Plan provides that rehired Firefighters who took a refund of contributions may repurchase such time within 90 days of re-employment; and

WHEREAS, further the Union wishes the City to permit Firefighters to make the contributions to the Plan for the time that they are out on workers’ compensation payment; and

WHEREAS, the City and the Union wish to remedy the above problems and provide a fair solution and that it is in the best interest of the City, the bargaining parties, and the affected members to do so.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:

Section 1. The above recitals are true and correct and incorporated into this Resolution by reference.

Section 2. The City Council of the City of Marathon, Florida formally approves the attached MOU, attached as “Exhibit A”; and

Section 3. The City Manager is authorized to sign the MOU pursuant to City Council approval.

Section 4. This Resolution shall take effect immediately upon adoption.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MARATHON,
FLORIDA, THIS 8TH DAY OF MARCH, 2022.**

THE CITY OF MARATHON, FLORIDA

John Bartus, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Diane Clavier, City Clerk

(City Seal)

**APPROVED AS TO FORM AND LEGALITY FOR THE USE AND RELIANCE OF THE
CITY OF MARATHON, FLORIDA ONLY:**

Steve Williams, City Attorney

EXHIBIT A

MEMORANDUM OF UNDERSTANDING BETWEEN
CITY OF MARATHON, FLORIDA
AND
PROFESSIONAL FIREFIGHTERS OF MARATHON LOCAL 4396

WHEREAS, City of Marathon (“City”) has established a defined benefit plan for the city’s full-time firefighters known as the Retirement Plan and Trust for the Firefighters of the City of Marathon (“Plan”) and has adopted a prototype plan drafted and maintained by the Florida League of Cities, Inc.;

WHEREAS, the terms of that Plan are negotiated with the Professional Firefighters of Marathon Local 4396 (“Union”);

WHEREAS, the Plan provides that rehired Firefighters who took a refund of contributions may repurchase such time within 90 days of re-employment;

WHEREAS, there are members who were told that they could not repurchase this time when they were rehired;

WHEREAS, further the Parties wish to permit Firefighters to make the contributions to the Plan for the time that they are out on workers’ compensation payment;

WHEREAS, the City and the Union wish to remedy the above problems and provide a fair solution and that it is in the best interest of the City, the bargaining parties, and the affected members to do so.

NOW, THEREFORE, BE IT RESOLVED that:

Section 1. The above recitals are true and correct and incorporated herein.

Section 2. It is agreed that a one-time window be permitted as a remedy for affected members as listed; employee #410, employee #217, employee #429, and employee #424 be able to purchase this prior City Fire service and time for which they were (a) on workers’ compensation leave (b) who took a refund and have since been rehired and were not allowed to make contributions to the Fund (“Remedial Members”) or (c) upon hire date were wrongfully deemed ineligible.

Section 3. Effective _____, members of the Pension Plan, who are employed by the City of Marathon as Firefighters are permitted to elect to purchase years and parts of years of service during which they were employed by the City of Marathon as a Firefighter and were out on workers' compensation and did not make a pension contribution. The member will pay the member contribution plus interest at the assumed rate of return (7.0%) for the period from their return to work to the date of payment into the Fund. The Election Period will start on the date of notice to the members and end 30 days after the notice date. **Those employees described in section 2 above shall not be required to pay interest at the assumed rate of return.**

Section 4. Effective _____, members of the Pension Plan, who are employed by the City of Marathon as Firefighters are permitted to elect to purchase years and parts of years of service for which they previously served at the City of Marathon as a Firefighter and received a refund of contributions. The refunded contributions will be repaid to Fund with interest at the assumed rate of return (7.0%) for the period from the date of withdrawal to the date of repayment. The Election Period will start on the date of notice to the members and end 30 days after the notice date. **Those employees described in section 2 above shall not be required to pay interest at the assumed rate of return.**

Section 5. To elect the repayment, the member must contact the Fund to get the calculations for the cost of the service to be purchased within the 30 day Election Period and make the repayment:

- (a) in a lump sum within 7 days of receiving the calculated amount due; or
- (b) by direct transfer or rollover of an eligible roller distribution from a qualified plan; or
- (c) in 12 monthly installments paid via authorized payroll deductions.

Section 6. **With the exception of those employees described in section 2,** the parties agree that the purchase of time may not be used for purposes of vesting.

Section 7. **Any additional cost of the remedial buy backs (identified in section 2) will be borne by the City and shall not be counted toward the City's net contribution to the cost of the plan under Article 15 of the parties CBA.**

THE CITY OF MARATHON, FLORIDA

**PROFESSIONAL
FIREFIGHTERS OF
MARATHON LOCAL 4396**

City Manager

President

Date

Date