

**CITY OF COOPER CITY
CITY COMMISSION WORKSHOP
APRIL 28, 2011**

1. PLEDGE OF ALLEGIANCE

Mayor Eisinger opened the Commission Meeting and led the assembly in the Pledge of Allegiance.

2. ROLL CALL

Present were Commissioners Mallozzi, Sims, Curran, Green and Mayor Eisinger.

3. AGENDA CONCERNS

None.

4. DISCUSSION OF PENSION OPTIONS

City Manager Loucks offered an overview of the General Employees Pension Plan and briefed the Commission as to the various other pension plans that are funded in any portion by the City. He additionally offered the Commission several options for direction they may wish to take regarding the General Employees Pension Plan.

In conclusion, recommendation was made to staff to maintain the current General Employees Pension Plan for its current members and to continue to pursue pension options such as FRS as well as other types of investment opportunities which contain an employer/employee contribution element for future employees.

Consensus was reached to place the issue on the June Agenda with backup provided by staff.

5. ADJOURNMENT

Mayor Eisinger adjourned the meeting at 7:38 p.m.



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MEMORANDUM

TO: Mayor & Commissioners

FROM: Bruce D. Loucks, City Manager 

DATE: April 27, 2011

RE: April 28, 2011 Pension Workshop

The purpose of this workshop is to discuss pension options for Cooper City.

Currently the City contributes on behalf of employees to the four different Pension Plans.

1. General Employees Pension Plan (includes non-certified former Police and Fire employees).
2. Firefighters Pension Plan
3. Police Pension Plan (certified employees only)
4. Management Pension Plan

The City provides funding for the General Employees and the Management Pension Plans. The Broward Sheriff's Office (BSO) funds the Firefighters and Police Pension Plan in combination with Cooper City and Insurance Surcharges. The Management Pension Plan is not a Cooper City managed plan. The City is a contributor to the League of Cities Plan.

FY2010-2011 CONTRIBUTIONS

		<u>City</u>	<u>Employees</u>
1. General Employees Pension Plan	\$1,221,002	24.23%	10.43%
2. Firefighters Pension Plan	\$76,609	N/A	N/A
3. Police Pension Plan	\$96,415	N/A	N/A
4. Management Pension Plan*	\$372,760	41%	11%

* (Additional disbursements are made on a periodic basis)

Pension Plan Alternatives

The City has options available in regards to Pension funding. In discussing potential options, any change in pension process should apply only to newly hired employees and anyone in the current plan who voluntarily converts to a different option. There would be additional costs associated in converting the entire plan's existing employees to a new option if one were selected.

The options for newly hired employees are:

1. Continue with the current plan.
2. Do not provide any pension opportunities.
3. Provide for a 401 type plan.
4. Change to a different pension plan such as the Florida Retirement System (FRS).

The advantages, disadvantages and concerns of each are discussed below.

1. Continue with the current plan.

Advantage: All employees would be covered by the same plan.

Disadvantages:

1. Contribution rates for the current plan will be increasing at least in the short to mid-term time frames.
2. The plan does not provide for "portability" from and to other employers.
3. Must provide for the administration of the plan.

2. Do not provide any pension opportunities.

Advantage: Reduces costs to the City.

Disadvantages: Would put the City at a competitive disadvantage in the recruitment and retention of employees.

3. Provide for a 401 type plan.

Advantage: The City would determine, on an annual basis, the level of funding to provide.

Disadvantages: Investment decisions are made by employees.

4. Change to an alternative plan such as FRS.

Advantage:

1. No administrative responsibilities as it is provided by the State.
2. Stable rates – currently 9.63% with no contributions from employees.
3. Allows "portability" between any organization within the FRS system.
4. Liabilities are spread throughout a larger employer base.

Disadvantages: The plan is subject to change by the State Legislature.

Currently changes are being considered to include employee contributions and change to a defined contribution basis.

In reviewing potential changes, if adopted, the City would still need to fund the current plan for multiple decades into the future.