



**CITY OF FORT LAUDERDALE**  
**City Commission Agenda Memo**  
**CONFERENCE MEETING**

**#16-0836**

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**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Lee R. Feldman, ICMA-CM, City Manager

**DATE:** July 12, 2016

**TITLE:** Discussion on Re-Employment of Retirees Receiving Benefits from the  
Police and Firefighters' Retirement System

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At the request of Mayor Seiler, the City Manager has placed this item on the Conference Agenda for further discussion by the City Commission on amendments to Code Section 20-135 of the Code of Ordinances relating to the Police and Firefighters' Retirement System ("Plan").

In 2014, Administration became aware of potential tax consequences arising from the operation of the Plan in a manner inconsistent with federal tax laws as they relate to re-employment of retirees receiving retirement benefits. In response, the City Manager created a policy imposing a moratorium on rehiring retirees (Exhibit 1). Thereafter a series of discussions with the Fraternal Order of Police (FOP), International Association of Firefighters (IAFF), and representatives of the Pension Board resulted in an agreement that would satisfy the Internal Revenue Service (IRS) and preserve the tax-qualified status of the Plan.

On November 3, 2015, the City Commission passed on second reading Ordinance No. C-15-39 (Exhibit 2) amending Code Section 20-135 by creating a subsection (u) thereof, creating in-service distribution rights for members of the Plan employed by the City and receiving retirement benefits. The amendments further created in-service distribution rights prospectively for certain positions. Specifically, reemployed retirees in the following positions would be eligible for in-service distributions: (1) Reserve Officer performing booking facility, prisoner transport or War Memorial security services, (2) Police Chief, and (3) Fire Chief. The Ordinance does not allow additional Plan members to remain employed and receive retirement benefits, thereby eliminating opportunities to pursue reemployment in positions outside of the Police and Fire Departments.

At the Conference Meeting, the City Manager will update the Commission as to the status of compliance efforts for the plans and potential impacts on members who have received in service distributions in both the Police and Fire plan and GERS.

**Strategic Connection**

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing its resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management.
- Initiative 3: Provide fiscally sustainable employee pensions.

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We are Connected.

**Attachment**

Exhibit 1 – Moratorium on Rehiring Retirees

Exhibit 2- Ordinance No. C-15-39

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