

MIAMI BEACH

COMMITTEE MEMORANDUM

TO:	Finance and Economic Resiliency Committee Members
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FROM: Rickelle Williams, Interim City Manager

DATE: June 28, 2024

TITLE: DISCUSS AN INCREASE TO THE INSPECTOR GENERAL'S PENSION ACCRUAL

BACKGROUND/HISTORY

This item, which would require an amendment to the City's Miami Beach Employees' Retirement Plan (the "Pension Plan"), is a referral item from the City Commission meeting of October 13, 2023. The purpose of the item is to discuss an increase to the Inspector General's pension accrual factor.

On February 22, 2023, the City Commission approved and adopted on second reading Ordinance No. 2023-4549 that amended several provisions of the Pension Plan, including changing the pension accrual factor to 4% for Elected Officials and Charter Members, but excluded the Inspector General concerning this specific change.

Currently, the Inspector General is the only member of the Charter Officers with a 2.5% pension accrual factor.

This item was included on the May 24, 2024 Finance and Economic Resiliency Committee (FERC) agenda but was not reached.

ANALYSIS

After the referral, the Human Resources Department obtained authorization from the Pension Plan administrators to engage the Pension Plan actuary to conduct an analysis on the financial impact of making the change for the Inspector General from a 2.5% to 4% pension accrual factor to be applied to his final average monthly earnings upon retirement.

Foster & Foster, the Pension Plan actuary submitted its report on April 12, 2024 (copy attached) and concluded that the estimated impact to the City's GASB 67 Net Pension Liability would increase by \$130,106. The estimated impact to the City's minimum contribution requirements in FY 2024-25 would be an increase of \$29,290.

FISCAL IMPACT STATEMENT

The estimated impact to the City's minimum contribution requirements in FY 2024-25 would be an increase of \$29,290. See attached actuarial analysis.

CONCLUSION

Should FERC approve the pension accrual factor from 2.5% to 4% for the Inspector General, the item will be referred to the City Commission for consideration of an Ordinance to effectuate the change.

Applicable Area

Citywide

Is this a “Residents Right to Know” item, pursuant to City Code Section 2-17?

Is this item related to a G.O. Bond Project?

No

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Human Resources