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EXECUTIVE SUMMARY

To: The City Commission for the City of Key West

From: Ron Ramsingh, Chief Assistant City Attorney

Date: September 29, 2017

RE: Ordinance revision to Sec. 46-323 regarding police and fire prior service/military buyback.

Action statement:

This proposed ordinance revision amends Sec. 46-323 to recognize a bargained-for benefit to police and firefighters as part of the current collective bargaining agreement (CBA).

Background:

The current collective bargaining agreement between the city and the PBA required the City to amend the police and firefighter retirement plan ordinance to recognize prior service and military service regarding pension maturity. An important stipulation in that agreement was that such amendment was to be at no additional cost to the City. The current CBA went into effect on June 17, 2015, and

since that time, there has been a lot of differences between the City and the union regarding what the requirements of Article 11.E.4. really are regarding the language: "...these buy-back options shall not cost the City or Pension Plan any money." Prior Assistant City Manager Spurlock put together an ordinance that was rejected by the union and as a result, was never considered by the City Commission. A grievance shortly followed that resulted in an arbitration that took place on March 14, 2017. The City and the PBA instead took that opportunity to workshop the issue into an agreement to amend the ordinance. This revision is the product of that March meeting. Since that time, the ordinance needed to be reviewed by the city's actuary, Brad Heinrichs, as well as the pension attorney, Stuart Kaufman. Both have approved this amendment as having a zero-net cost to the City.

Options:

1. To approve the proposed police and fire pension ordinance revisions which will fulfill the City's obligation to recognize prior service and prior military service under the present CBA.
2. To deny the proposed ordinance. The result will be a renewed arbitration, where the City will likely be found to be in default of the obligation in the present agreement to ratify such an ordinance amendment.

Recommendation: To approve the proposed ordinance revision.
