RESOLUTION NO.__________________________

RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ENDORSING, IN CONCEPT, THE CREATION OF A NEW EMPLOYEE TIER AS PART OF THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN, WITH MODIFIED PENSION BENEFITS FOR NEW EMPLOYEES HIRED ON OR AFTER OCTOBER 1, 2022, FOR THE PURPOSE OF REDUCING PENSION COSTS AND PERMITTING ADDITIONAL FUNDING TO BE PROVIDED IN TERMS OF SALARIES AND COST OF LIVING ADJUSTMENTS (COLA) FOR EMPLOYEES TO COVER THEIR CURRENT COST OF LIVING NEEDS; AND FURTHER DIRECTING THE ADMINISTRATION TO WORK WITH THE CITY'S ACTUARIAL CONSULTANT TO IDENTIFY OPTIONS FOR STRUCTURING THE BENEFITS TO BE PROVIDED TO EMPLOYEES IN THE NEW TIER, IN ORDER TO ACHIEVE THE MAXIMUM AMOUNT OF PENSION SAVINGS; AND REFERRING THE PROPOSAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE FOR ITS REVIEW AND CONSIDERATION.

WHEREAS, in February 2022, Realtor.com designated South Florida/Miami-Dade County area as America's least affordable place to live, with average monthly rents in the metro area, at $2,930, on par with San Francisco and Los Angeles — and double the level considered affordable for people in the Miami-Dade County region, given local incomes; and

WHEREAS, in addition to soaring rent and home prices at their fastest rate in years, rising food and gas prices, following the economic spasm and supply chain disruptions caused by the COVID-19 pandemic, are further adding to inflationary pressures, raising the financial burden on millions of working and middle-class households already struggling to make a living; and

WHEREAS, the City of Miami Beach's Employee Retirement Plan ("Retirement Plan") has three tiers, Tier A, Tier B, and Tier C, classified by employee hire dates, and an employee's benefit provisions (such as retirement date, pension vesting period, and benefit amounts) may vary depending on their Tier; and

WHEREAS, as the City has not provided City employees with a cost-of-living adjustment in several years due to funding constraints, the Mayor and City Commission desire to consider the creation of a new employee tier as part of the Retirement Plan, with modified pension benefits for new employees hired on or after October 1, 2022, for the purpose of reducing pension costs and permitting additional funding to be provided in terms of salaries and cost of living adjustments (COLA) for employees to cover their current cost of living needs; and

WHEREAS, the Mayor and City Commission endorse, in concept, the proposal to create a new tier in the Retirement Plan, and direct the City Administration to work with the City's actuarial consultant to identify options for achieving the maximum amount of pension savings, for review and consideration by the Finance and Economic Resiliency Committee.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby endorse, in concept, the creation of a new employee tier as part of the Miami Beach Employees' Retirement Plan with modified pension benefits for new employees hired on or after October 1, 2022, for the purpose of reducing pension costs and permitting additional funding to be provided in terms of salaries and cost of living adjustments (COLA) for employees to cover their current cost of living needs; and further direct the Administration to work with the City's actuarial consultant to identify options for achieving the maximum amount of pension savings; and refer the proposal to the Finance and Economic Resiliency Committee for its review and consideration.

PASSED and ADOPTED this ___ day of _____,_______________.

ATTEST:

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Dan Gelber, Mayor

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Rafael E. Granado, City Clerk

(Sponsored by Commissioner Alex J. Fernandez)

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

_____________ 6-13-22
City Attorney Date