

TOWN OF DAVIE
TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: William W. Ackerman, Budget & Finance Director/797-1050

PREPARED BY: William W. Ackerman, Budget & Finance Director

SUBJECT: Resolution

AFFECTED DISTRICT: N/A

ITEM REQUEST: **Schedule for Council Meeting**

TITLE OF AGENDA ITEM: A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING AN AMENDMENT TO THE TOWN OF DAVIE MONEY PURCHASE PLAN AND PROVIDING AN EFFECTIVE DATE

REPORT IN BRIEF: The Town previously approved a bargaining unit contract with the Federation of Davie Employees which allowed eligible employees to elect to join the Retirement Plan and Trust for Town of Davie Management and General Employees. The existing 401(a) Money Purchase Plan therefore requires amendment in order to allow current participants to smoothly transition to the defined benefit plan if they so elected. This resolution authorizes the plan trustees to execute an amendment which will vest all participants who joined the defined benefit plan. The resolution also amends the plan to adjust the contribution rates in accordance with the collective bargaining agreement.

PREVIOUS ACTIONS: Resolution 2006-140 ratifying the collective bargaining agreement between the Town of Davie and the Federation of Davie Employees.

CONCURRENCES: N/A

FISCAL IMPACT: not applicable

Has request been budgeted? n/a

If yes, expected cost: \$

Account Name:

If no, amount needed: \$

What account will funds be appropriated from:

Additional Comments:

RECOMMENDATION(S): Motion to approve the resolution

Attachment(s): Resolution and Exhibit "A"

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING AN AMENDMENT TO THE TOWN OF DAVIE MONEY PURCHASE PLAN AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town maintains a Retirement Plan and Trust for the Town of Davie Management and General Employees; and

WHEREAS, the General employees authorized to participate in the defined benefit pension were all members of the Town of Davie Money Purchase Plan; and

WHEREAS, the Town of Davie Money Purchase Plan requires an amendment in order to allow for a smooth transition for the eligible employees who elected to join the defined benefit pension plan;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. That the Town Council of the Town of Davie hereby authorizes the Plan Trustees to execute the necessary plan amendment attached as Exhibit "A", to the Town of Davie Money Purchase Plan in order to allow for a smooth transition for the eligible employees who elected to join the defined benefit pension plan and to amend the plan in accordance with terms of the collective bargaining agreement.

SECTION 2. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2007.

MAYOR/COUNCILMEMBER
ATTEST:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 2007.

EXHIBIT “A”
AMENDMENT
TO
TOWN OF DAVIE, FLORIDA
MONEY PURCHASE PLAN

WHEREAS, the Town of Davie, Florida (the “Town”) sponsors the Town of Davie, Florida Money Purchase Plan (the “Plan”); and

WHEREAS, the Plan was restated as of January 1, 2002; and

WHEREAS, Section 16.1 permits the Plan to be amended from time to time by the Administrator.

NOW, THEREFORE, BE IT RESOLVED that the Plan be amended with the effective dates as stipulated herein and shall now read as follows:

1. Effective September 30, 2006, Section 2.41 of the Plan is amended in its entirety and shall now read as follows:

“2.41 Non-Transfer Election Participant shall mean a Participant who made an election to remain in the Plan pursuant to an election under Section 14.10(a) or (b) of the Plan.”

2. Effective September 30, 2006, Section 2.42 of the Plan is amended in its entirety and shall now read as follows:

“2.42 Transfer Election Participant shall mean a Participant who made an election to transfer to a defined benefit pension plan pursuant to an election under Section 14.10(a) or (b) of the Plan.”

3. Effective September 30, 2006, Section 3.1 of the Plan is amended in its entirety and shall now read as follows:

“Eligibility. Effective after September 30, 2006 only a Non-Transfer Election Participant shall continue to participate in the Plan. Any Transfer Election Participant shall cease to participate in this Plan on their transfer date pursuant to Section 14.10(a) or (b).”

4. Effective September 30, 2006, Section 3.2 of the Plan is amended by the addition of a new subsection which shall be titled (f) and shall now read as follows:

“(f) Effective after September 30, 2006 – General Employees other than Non-Transfer Election Participant.”

5. Effective September 30, 2006, Section 5.1 of the Plan is amended by restating the third paragraph in its entirety and shall now read as follows:

“As of a Participant’s transfer date pursuant to Section 14.10(a) or (b), Transfer Election Participants shall not be permitted to contribute to the Plan.”

6. Effective October 1, 2006, Section 5.1 of the Plan is amended in its entirety and shall now read as follows:

“On and after October 1, 2006, there shall be no mandatory Participant contributions to the Plan.”

7. Effective September 30, 2006, Section 5.2(d) of the Plan is amended in its entirety and shall now read as follows:

“(d) As of a Participant’s transfer date pursuant to Section 14.10(a) or (b), Transfer Election Participants shall not be permitted to make Voluntary Personal Contributions.”

8. Effective October 1, 2006, Section 6.1(b) is amended by replacing “six percent (6%)” with “nine percent (9%).”

9. Effective October 1, 2007, Section 6.1(b) is amended by replacing “nine percent (9%)” with “eleven percent and four tenths (11.4%).”

10. Effective September 30, 2006, Section 6.1(b) of the Plan is amended in its entirety and shall now read as follows:

“The Employer shall contribute on or after September 30, 2006 to the Plan for the Employer Contributions Account of each Non-transfer Election Participant who is a non-collectively bargained hourly Employee or a General Employee an amount which is six percent (6%) of his Compensation.”

11. Effective September 30, 2006, Section 10.01 of the Plan is amended by restating the third paragraph in its entirety and shall appear as the last paragraph and shall now read as follows:

“As of the day immediately preceding a Participant’s transfer date pursuant to Section 14.10(a) or (b), an active Transfer Election Participant shall be one hundred percent (100%) vested.”

12. Effective September 30, 2006, Section 14.10 of the Plan is amended in its entirety and shall now read as follows:

“14.10 One-Time Elections to Transfer Participation

(a) All Employees who are participating in the Plan on January 8, 2004, other than General Employees, shall be given an election to remain in the Plan or participate in a defined benefit pension plan. The election period shall begin on January 8, 2004 and end January 30, 2004. The Participant’s transfer date shall be January 31, 2004. This shall be a on-time irrevocable election. A failure to make an election shall be deemed to be an election to remain in this plan as a Non-Transfer Election Participant.

(b) All General Employees who are participating in the Plan on September 5, 2006 shall be given an election to remain in the Plan or participate in a defined benefit plan. The election period shall begin September 5, 2006 and end September 22, 2006. The Participant's transfer date shall be October 1, 2006. This shall be a one-time irrevocable election. A failure to make an election shall be deemed to be an election to remain in this Plan as a Non-Transfer Election Participant.

(c) The election process in (a) and (b) above shall be pursuant to procedures as determined by the Administrator and subject to the Administrator's discretion to determine any rules and procedures necessary to implement and interpret this Section."

Executed at Town of Davie, Florida on _____, 2007.

TOWN OF DAVIE

By:

Administrator