

## RESOLUTION 2011-07

### A RESOLUTION OF THE CITY OF ST. PETE BEACH SUPPORTING POLICE OFFICER AND FIREFIGHTER PENSION PLAN REFORMS

- WHEREAS,** the City of St. Pete Beach opposes unfunded state mandates in that mandates impose state-initiated policy changes and programs onto the City without providing adequate funding to pay for them; and
- WHEREAS,** the legislature has imposed significant unfunded mandates onto the City of St. Pete Beach relative to the operation of the City's police officer and firefighter pension plans by mandating minimum pension benefit levels and mandating the use of revenues to fund pension plan costs; and
- WHEREAS,** prior to 1999, the City was largely free to bargain with local police and fire unions, or provide for the non-unionized police and firefighters, the pension benefits that best fit the priorities and needs of the City and its police and firefighters; and
- WHEREAS,** in 1999, the legislature passed a law that required the City's police and fire pension plans to meet all of the minimum pension benefit standards established in state law; and
- WHEREAS,** in 1999, the legislature substantially revised how the City could use insurance premium tax revenues to fund its police and firefighter pension plans by requiring the City to use any increase in the tax revenues to provide new, extra pension benefits to police and firefighters; and
- WHEREAS,** since 1999, the requirement to provide new, extra pension benefits to police and firefighters with increases in insurance premium tax revenues has collectively required cities across the state to provide more than \$400 million in new, extra pension benefits to police and firefighters; and
- WHEREAS,** since 2001 the City's cost for the police and firefighters pension plans has increased by \$700,000 while the unfunded liability (debt) of the plans has grown to \$11,500,000; and
- WHEREAS,** state law continues to require the provision of new, extra pension benefits to police and firefighters even though the City struggles with funding the current level of pension benefits provided to police and firefighters; and
- WHEREAS,** even if the City desired to reduce the level of pension benefits provided to police and firefighters to address the City's critical revenue constraints, the state Division of Retirement imposes a policy that police and firefighter pension benefit levels may not be reduced to a level lower than the level that existed in 1999; and

**WHEREAS,** if the City did lower its pension benefits for police and firefighters to a level lower than existed in 1999, the state Division of Retirement may threaten to withhold all insurance premium tax revenues as a penalty if such action is taken; and

**WHEREAS,** if the City loses access to the insurance premium tax revenues as a result of their need to change pension benefits to provide a benefit that is sustainable for the employees and a reasonable cost to the taxpayers, the result will likely be a further reduced benefit to the police officers and firefighters that could have a negative impact on our ability to recruit and retain qualified and competent employees.

**WHEREAS,** the City has limited ability to control pension costs because of state laws and interpretations of those laws by the state Division of Retirement, the effect of which is cities can *raise* pension benefits for police and firefighters, but cannot *lower* them, even if approved by their unions.

**WHEREAS,** the City supports flexibility in state law that would allow cities to deal with their local problems locally, and needs for the legislature to remove barriers in state law that prohibit this flexibility.

**WHEREAS,** the City is not seeking a handout from the legislature but is instead requesting the legislature to untie its hands so that it can address its pension issues locally and in a manner that best serves its citizens.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF ST. PETE BEACH, FLORIDA:**

**Section 1.** That the City hereby supports police and firefighter pension reform.

**Section 2.** That the City hereby requests the legislature to remove itself from the local collective bargaining process with City police and firefighters.

**Section 3.** That the City hereby requests the legislature to remove minimum pension benefits standards for police and firefighter pensions, remove the requirement to provide new, extra pension benefits to police and firefighters, and allow the City to use insurance premium tax revenues to pay for pension benefits already provided to police and firefighters.

**Section 4.** That the City hereby requests the legislature to prohibit the state Division of Retirement from imposing administrative policies that result in increased costs to the City in providing the police and firefighter pension plans.

**Section 5.** That the City urges the legislature to pass and the Governor to approve the above recommendations relating to police and firefighter pension plans in the 2011 legislative session.

**Section 6.** That the City Manager is authorized to transmit a copy of this resolution to Governor Rick Scott, the Florida Legislature, and the Florida League of Cities, Inc.

**Section 7.** That this resolution shall be effective upon adoption.

**PASSED IN OPEN AND REGULAR SESSION OF THE CITY COMMISSION OF THE CITY OF ST. PETE BEACH, FLORIDA, THIS 9<sup>th</sup> DAY OF MARCH, 2011.**



**Mayor**

**ATTEST:**



**Pamala Prell, Acting City Clerk**