

ORDINANCE NO. 06-4699

AN ORDINANCE OF THE CITY OF SARASOTA, FLORIDA, ESTABLISHING THE CITY OF SARASOTA "OTHER POST-EMPLOYMENT BENEFITS TRUST FUND;" ALLOWING FOR CONTRIBUTIONS TO THE TRUST FUND; PROVIDING FOR ADMINISTRATION OF THE TRUST FUND; STATING HOW MONIES IN THE TRUST FUND MAY BE INVESTED; PROVIDING FOR PROTECTION AGAINST FRAUD AND DECEIT; PROVIDING FOR THE SEVERABILITY OF THE PARTS HEREOF; PROVIDING FOR READING BY TITLE ONLY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission has in the past chosen to pay some or all of the costs of certain post-employment benefits for retirees and/or their dependents, including costs related to health and life insurance; and,

WHEREAS, the City Commission has determined that it is in the best interest of its employees and retirees, and its citizens and taxpayers to utilize a trust fund to hold accumulated assets and to disburse payments for health and life insurance benefits, commonly referred to as "other post-employment benefits;" and,

WHEREAS, it is the intent of the City Commission that the assets of this trust fund be dedicated to providing other post-employment benefits for retirees and their dependents through the program of insurance and/or self-insurance offered by the City of Sarasota; and,

WHEREAS, it is the intent of the Sarasota City Commission that contributions to this trust fund be irrevocable and protected from creditors.

NOW THEREFORE, BE IT ENACTED BY THE PEOPLE OF THE CITY OF SARASOTA, FLORIDA:

Section 1. The Sarasota City Code, Chapter 24, Personnel, is hereby amended to add thereto an Article III, to be entitled, "Other Post-Employment Benefits Trust Fund," which shall provide as follows:

"Article III. Other Post Employment Benefits Trust Fund

Section 24-118. Establishment of Other Post-Employment Benefits Trust Fund

(a) There is hereby created a trust fund to be known as the Other Post-Employment Benefits Trust Fund, hereinafter referred to as the "OPEB Trust Fund." The purpose of the OPEB Trust Fund shall be to accumulate, invest and manage funds necessary to meet the costs of providing health and/or life insurance to retirees and their dependents. The administration of the OPEB Trust Fund shall be in accordance with the terms set forth herein.

(b) The City of Sarasota OPEB Trust Fund shall be maintained as a separate fund or account, and any funds expended from such fund or account shall be utilized for the sole and exclusive purpose of providing health and/or life insurance benefits to retirees and their dependents. Funds from the Trust Fund shall be used to pay costs of premiums and claims associated with the City's self-insurance program or with private insurance policies purchased by the City, as well as costs associated with managing, administering and operating the Trust Fund.

Section 24-119. Contributions to the OPEB Trust Fund

(a) The City Commission shall contribute funds to the OPEB Trust Fund each year through the annual budget appropriation process. The City Commission shall have full discretion as to the amount of funds to appropriate annually. City contributions may be used to pay actual costs of insurance premiums and claims or may be set aside for unfunded future liabilities.

(b) Any health insurance premiums paid by retired employees, including but not limited to premiums for spousal or family coverage, shall be deposited into the OPEB Trust Fund.

Section 24-120. Administration of OPEB Trust Fund

(a) The Director of Finance shall supervise and administer the OPEB Trust Fund under the direction of an oversight committee, hereafter referred to as the OPEB Committee. The members of the OPEB Committee shall be the City Manager, the City Auditor and Clerk and the Director of Human Resources or their respective designees.

(b) The Finance Director shall make monthly deposits into the OPEB Trust Fund in amounts equal to one-twelfth of the annual budget appropriation.

(c) In order to fulfill his or her investment responsibilities as set forth herein, the Finance Director, subject to the approval of the OPEB Committee, may retain the services of an investment consultant or advisor for the purposes of investment decisions and management. Such investment consultant shall have discretion, subject to any guidelines as prescribed by the Finance Director and approved by the OPEB Committee, in the investment of all fund assets.

Section 24-121. Powers and Duties of OPEB Committee

(a) The duties and responsibilities of the OPEB Committee shall include, but not be limited to, the following:

- (1) to approve all payments from the OPEB Trust Fund;
- (2) to order actuarial evaluations, at least once every two years;
- (3) to make recommendations regarding amendments to this Article;

(4) to perform such other duties as are specified in this Division or required for the prudent administration of the OPEB Trust Fund.

(b) The OPEB Committee may adopt its own written rules of procedure but such rules shall not be in conflict with the express terms of this Article or the Charter. All meetings of the OPEB Committee shall be open to the public.

c) The powers and duties of the OPEB Committee or of any person as set forth herein are not intended to be complete or exclusive, but each such body or person shall have powers and duties as are reasonably implied from the terms herein, so long as they do not act in conflict with this Division or the City of Sarasota Charter.

Section 24-122. Investment of Monies in Trust Fund

(a) All contributions paid into the OPEB Trust Fund, and the income thereof, without distinction between principal and income, shall be held and administered by the Finance Director under the oversight of the OPEB Committee. The Finance Director shall not be required to segregate or invest separately any portion of the Trust Fund except that the Finance Director may segregate funds as provided in Section 24-122(c).

(b) At least once per year, the OPEB Committee shall retain a professionally qualified independent consultant to evaluate the performance of all current investment managers and make recommendations regarding the retention of all such investment managers.

(c) The Director of Finance may retain in cash and keep unproductive of income such amount of the Trust Fund as he or she may deem advisable as necessary for the proper administration of the fund.

Section 24-123. Amendment or Termination of Trust Fund

(a) The City Commission shall have the right, at any time, to amend any or all of the provisions of this Article; provided, however, that no such amendment shall authorize or permit any part of the OPEB Trust Fund to be diverted for purposes other than for the exclusive benefit of retired employees and their dependents.

(b) The City Commission expects to continue the OPEB Trust Fund indefinitely, but reserves the right to terminate the OPEB Trust Fund and/or City contributions hereunder at any time. In the event of the termination of the OPEB Trust Fund, the retired employees receiving OPEB benefits prior to termination shall retain the right to have all OPEB trust funds on account at the time of termination utilized to pay premiums and/or claims for OPEB benefits. Any assets remaining after all liabilities are satisfied shall be paid to the City.

Section 24-124. Protection against Fraud and Deceit

It shall be unlawful for any person to, with intent to deceive, make or cause to be made a false statement, through submission of a claim, a report or by other means, to City of Sarasota officials or agents, in connection with the receipt of insurance benefits or in connection with the operation or administration of this Trust Fund. A violation of this section

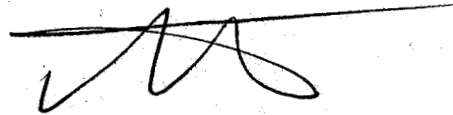
shall be punished as provided in section 1-11 of the Code of the City of Sarasota, Florida."

Section 2. If any word, phrase, clause, subsection or section of this ordinance is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of any remaining portions of this ordinance.

Section 3. This Ordinance shall take effect immediately upon second reading.

PASSED on first reading by title only, after posting on the bulletin board at City Hall for at least three (3) days prior to first reading, as authorized by Article IV, Section 2, Charter of the City of Sarasota, Florida this 5th day of September, 2006.

PASSED on second reading and finally adopted this 18th day of September, 2006.



Fredd "Glossie" Atkins, Mayor

ATTEST:



for _____
City Auditor and Clerk