



Legislation Text

File #: ID 24-3620, Version: 1

Agenda Item: 11(A)2	Prepared By: Joan Taylor, City Clerk
Business: Ordinance - Second Reading	Department: Executive

Subject:

Ordinance -Second Reading - Amending Chapter 22 "Fire Prevention and Protection" Article III in Accordance with Secure Act 2.0 and Authorized Investment Procedures Set Forth in Section 175.071 F.S - Joan Taylor, City Clerk

BACKGROUND:

In 2022, the Biden Administration signed the Securing a Strong Retirement Act of 2022 (SECURE 2.0 Act) as part of the Consolidated Appropriations Act of 2023. The SECURE 2.0 Act introduces several changes to the Internal Revenue Code that affect qualified retirement plans, which include the City of Marco Island Firefighters' Pension Plan (the Pension Plan). This amendment complies with the mandates in the SECURE 2.0 Act by increasing the applicable age required for minimum distribution requirements. To ensure conformity with the SECURE 2.0 Act, the proposed ordinance amendment has been prepared. Additionally, the Board of Trustees for the Pension Plan desires to modify the investment procedures set forth in Section 175.071, Florida Statutes, by requesting a variance to permit it to invest up to eighty percent (80%) of the fund in stocks at market value. Further, the Board will be authorized under the amendment to invest up to twenty-five percent (25%) of plan assets in foreign securities on a market-value basis. This amendment has been reviewed by the General Counsel for the Pension Plan, as well as the City Attorney's Office.

The amendment ensures conformity with federal regulations and, as it relates to the changes to the Board's investment authority, allows for flexibility in investing public monies to potentially decrease the need for City aid in providing retirement benefits.

FUNDING SOURCE / FISCAL IMPACT: The City of Marco Island's general fund is the source of funding for the pension plans and the associated administrative costs.

An actuarial impact statement issued by the Plan's actuary, GRS Consulting, opined that the investment amendments to Section 22-55 Finance and Fund management (allocation up to 80% of the fund value in stocks with up to 25% in foreign securities) will not have an actuarial impact in the cost of Retirement system for prefunding purposes.

PUBLIC NOTICE REQUIREMENTS: F.S. 166.041 (3)(a). Ordinance read by title on at least 2 separate days and shall be noticed in a newspaper of general circulation at least 10 days prior to the second reading.

NOTICE APPEARANCE DATE(S): May 9, 2024

RECOMMENDATION: Adopt ordinance 24-13 on second reading.

POTENTIAL MOTION: "I move to adopt Ordinance 24-13."