



Comprehensive Review of Town Operations

EXHIBIT II: TIMELINE OF COMPENSATION AND BENEFIT CHANGES 2004 - 2018

TOWN COUNCIL MEETING, MAY 8, 2018

2004 - 2007

10/2004
Longevity
compensation
program closed



06/2005
Townwide
Compensation
Study and resulting
pay range
adjustments.



8/2006
Adoption of
Ordinance
amending Public
Safety multiplier
from 3.25% to 3.5%
retrospectively



10/2006
Vacation leave
accruals reduced
for new hires



10/2007
Budget approved
merit for General,
4% step for Police
and Fire, 3% COLA
for all employees.



2008

01/2008
Town Council reviews CROTO. Retirement Boards to present recommendations to Town Council

4/2008
Sick leave maximum accruals reduced for new hires.

10/2008
Finance & Tax Committee begins study of Future Funding of Town Pension Plans

04/2008
Retirement Boards unanimously advise Town Council to retain status quo for retirement benefits.

10/2008
Budget approved merit for General, 4% step for Police and Fire, 3% COLA for all employees.

12/2008
Finance & Tax Committee reviews: funding, investment and other actuarial assumption options, DROP benefit impacts, combining the Police and Fire retirement boards, and the benefits and disadvantages of both defined benefit and defined contribution plans.

NOTE: Last time COLA provided, eliminated FY10 to date.

2009 (January – April)

01/2009

Health insurance plan modifications increasing copays and deductibles.

01/2009

Extraordinary longevity eliminated as a result of CRTD.

4/2009

Special advisor reports retirement plan recommendations to Finance & Tax Committee. External consultant sought.

01/2009

Conversion from fully insured to self insured dental insurance.

3/2009

Finance & Tax Committee assigns special advisor (Parven) to study and report on Town's retirement plan.

2009 (May - December)

7/2009

Cavanaugh Macdonald Consulting, LLC, to provide expert advice and assistance in studying the retirement plan.

10/2009

Hiring Freeze. No merit, COLA, range adjustments, or pay increases provided to employees.

12/2009

The Mayor and Town Council reviewed the Cavanaugh Macdonald report and received public input at a special Town Council meeting. Town Manager Elwell was assigned to make specific recommendations for Town Council consideration.

10/2009

Implemented Retirement Health Savings plan, fully funded by employee contributions toward post-employment health care expenses and increases the employee's role and responsibility in retirement health care costs.

10/2009

Conducted dependent insurance eligibility audit.

2010



01/2010

Health insurance cost sharing amended. Town maximum provided to employees at HMO premium level; employees buy up for increased coverage. (Est. savings \$386,000)

01/2010

Implemented a health insurance opt out incentive, encouraging employees who have insurance coverage from another provider to opt out of coverage with the Town. (Est. savings since 2010 502,012)

6/2010

The Palm Beach County Property Appraiser imposed a 12.4% decrease in property values, which resulted in a \$5 million decrease in property tax revenue. The Town Council ordered additional cost-cutting measures. Retirement plan benefits were further reduced. Union negotiations reflected this change.



01/2010

Amended the cost sharing of medical premiums for retirees. Future retiree contributions toward premiums for employee hired on or after October 1, 2009 was established at the maximum allowed per Florida state statute.

04/2010

Town Manager issues report and recommendations for Pension plan to Town Council. Reduction in benefits ordered, subject to collective bargaining.

10/2010

Hiring freeze. No merit, COLA, range adjustment, or pay increases provided.



Benefits



Compensation



Retirement

2011

01/2011

Change in dental carriers, reducing service fees by 33%, and claim expenses by 17.5%.

09/2011

All Fire-Rescue Bargaining Unit Supervisory and Non-Supervisory employees will be provided with a performance bonus due to collective bargaining agreement.

04/2011

Impasse hearing with IAFF, resulting in imposition of retirement plan changes to hybrid plan, elimination of Kelly day, and other changes.

10/2011

Budget approved merit increases to non-union employees. No pay increases for Police and Fire subject to union negotiations. No COLA or range adjustments provided to any employees.

2012

01/2012

Impasse hearing with the Fraternal Order of Police, resulting in imposition of retirement plan changes to the hybrid plan (among other changes).

10/2012

All sworn Police Officer and Sergeants will be provided with a performance bonus regardless of hire date due to collective bargaining agreement.

05/2012

Second reading of Town Ordinance adopting changes to retirement plan benefits for all employees, providing for a hybrid retirement plan in lieu of only defined benefit program.

10/2012

Budget approved merit for General and Police (following decertification from union), no pay increases for union Fire subject to negotiations. No COLA for any employee. Pay range maximums increased by 3% for non-union employees.



2013 & 2014

08/2013

Retirement Board of Trustees approves removal of 2% reduction applied to non-grandfathered General Employees choosing DROP participation as it was no longer actuarially valid to ensure cost neutrality of the plan.

01/2014

Amend health insurance plan design, replacing PPO plan with POS plan option, taking action to avoid the federally mandated "Cadillac Tax".

[Special note: In December 2015, Congress delayed implementation of the Cadillac tax, currently scheduled to be implemented in 2020 pending any changes to the federal health care plan mandates.]



10/2013

Budget approved merit for General, Police, and non-union Fire (following decertification from union), no pay increases for union Fire subject to union negotiations. No COLA for any employee. Pay ranges were not changed.

10/2014

Budget approved merit for General, Police, and non-union Fire (following decertification from union), no pay increases for union Fire subject to union negotiations. No COLA for any employee. Pay ranges adjusted by 3%.



Benefits



Compensation



Retirement

2015 & 2016

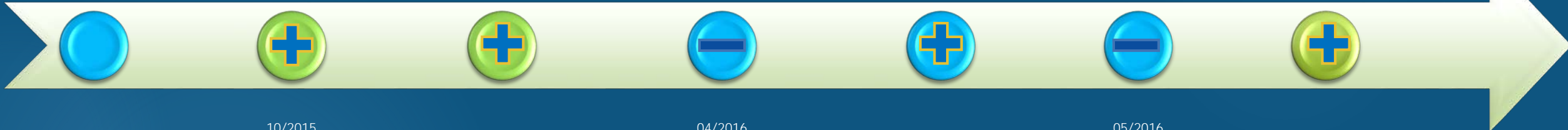


02/2015
Retirement Board of Trustees reviews Experience Study that requires several demographic assumption changes.

03/2016
Police and Fire Compensation and Benefits Survey, requested by Palm Beach Civic Association and Palm Beach Police Foundation and conducted by Mercer, issued to the Finance and Tax Committee

04/2016
Second reading of Ordinance adopting changes to retirement plan benefits for Police Officers and non-union Firefighters eliminating the hybrid plan and implementing a defined benefit plan, effective October 1, 2016.

10/2016
Budget approved merit for General, Police, and non-union Fire (following decertification from union), no pay increases for union Fire subject to union negotiations. No COLA for any employee. Pay ranges maximum adjusted by 2%.



10/2015
Budget approved merit approved for General, Police, and non-union Fire (following decertification from union), no pay increases for union Fire subject to union negotiations. No COLA for any employee. Pay ranges adjusted by 2%.

04/2016
Town Council orders changes to the investment earnings assumption for the retirement plan, decreasing from 7.5% to 7.4% and will further decrease by 10 basis points each year until the assumed rate of investment reaches 7.0% effective with the September 30, 2010 annual valuation.

05/2016
Retirement plan assumption changes due to mortality tables implemented.

2017 to date

01/2017

Introduced telemedicine services providing 24/7/365 access to medical care through phone and video consults.

08/2017

Ordinance amending the retirement benefits provided to union Firefighters pursuant to the collective bargaining agreement between the Town and the IAFF, eliminating the hybrid plan and implementing a defined benefit plan,

01/2018

Hiring freeze.



05/2017

Ordinance adopting changes to retirement plan benefits for General employees, retaining and amending the existing provisions of the hybrid plan.

10/2017

Budget approved merit for General, Police, and non-union Fire (following decertification from union). Union Fire negotiated pay increase, retroactive rate calculations from FY15, but not retroactive pay.

No COLA for any employee. Pay ranges adjusted by 2.5%.



Benefits



Compensation



Retirement