

Subject:

Mr. Paul Alexander's request regarding FRS Senior Management Service class as outlined in his October 3, 2015, letter.

Recommended Action:

Consider and respond to Mr. Paul Alexander's request.

Background Information:

In 2005 the Board of County Commissioners (BCC) passed a resolution designating the position held by Paul Alexander as Senior Management Service Class in the Florida Retirement System (FRS). At the time Mr. Alexander was the Director of Pinellas County Business Technology Services (BTS). He had been in that role since October 2003 and, as you can see from the resolution, the Board voted to make the designation retroactive to Mr. Alexander's hire date. Subsequent to passing that resolution, the FRS informed the County (and Mr. Alexander) that retroactive designation as approved by the BCC was not available for him because Mr. Alexander was a member of the investment plan. Retroactive designation was only available for members of the pension plan. Mr. Alexander left Pinellas County employment for a position in Manatee County and is currently still employed there.

In October, 2015, Mr. Alexander approached the Pinellas County Human Resources Director seeking to have the County make the retroactive payment to address the period from his hire date to his designation date since he had recently elected to switch from the investment plan to the pension plan. FRS has confirmed that such a retroactive designation was allowable and could be paid by any party.

Since Mr. Alexander was employed by the BTS Board, his request is being presented to the BTS Board. At the BTS Board Chair's request, the Finance Division of the Pinellas County Clerk or the Court and Comptroller, who does payroll for BTS calculated the total current cost of the update, contributions due plus interest at the statutorily imposed 6.5%; a partial cost of the update, contributions plus 3% interest; and the cost of just the contributions (no interests). Those amounts are, respectively \$10,001.70 to pay the full cost (contributions plus all interest due); \$6430.84 to pay the contributions and 3% of the interest due; and \$4354.40 to pay only the contributions.

Attached are Mr. Alexander's October 3, 2015, letter to the Chair requesting the County make the payment for the retroactive designation, the resolution from 2005, and Finance's calculations.

Fiscal Impact:

Dependent on decision.

Paul F. Alexander III

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Pinellas County Government
Board of County Commissioners
315 Court Street
Clearwater, FL 33756

October 3, 2015

Attn: Commissioner John Morroni
Chairman

Dear Commissioner Morroni:

Greetings from Manatee County! I sincerely hope that this letter finds you and your family doing well.

I had been in communication with HR Director, Peggy Rowe over the last several months regarding my FRS Service Record, and after her recent departure, with Sr. Assistant County Attorney, Carole Sanzeri from the Pinellas County Attorney's Office.

When I first interviewed with Commissioner Welch for the Pinellas County IT Director Position, we discussed the FRS-Senior Management Class prior to my acceptance of the position. At the time, the IT Director Position was FRS-Regular Class, and while no commitment could be made (and was not made), I was told that there were actions in play to revisit this by then County Administrator, Steve Spratt, for a number of key senior positions throughout the County. While this was important to me, it was not a deal-breaker, and I accepted the position in anticipation that this would someday come to fruition; and it did.

At the BCC Meeting on June 7, 2005, Resolution No. 05-123 - Agenda Item #73 (attached) was adopted by the Board designating that the IT Director Position was to be changed from the FRS-Regular Class to the FRS-Senior Management Class. Further, the change was to be retroactive to October 6, 2003, which was my Service Date with the County; essentially eliminating any FRS-Regular Class from my Service Credit. Without hesitation, I viewed this action of the Board as further investment in me, and the outstanding partnership that we had during my 10 years of service with Pinellas County.

Subsequent to this approval in 2005, I worked with the County Attorney's Office to follow through with the change in FRS classification, but was informed at that time by the FRS (through the County Attorney's Office), that until such time as I exercised my 'Second-Election' Option within the FRS to move from the FRS Investment Plan (IP) to the FRS Pension Plan (PP), the change could not be done as approved by the Board.

I recently exercised my 'Second-Election' Option, and am now in the FRS Pension Plan (PP). Carole Sanzeri was able to confirm that indeed, I am now eligible to make the approved change retroactive to October 6, 2003. Specifically, this would entail a bump in Service Credit from FRS-Regular Class to FRS-Senior Management Class over the first 1.92 years of service with Pinellas County, (i.e. the period of time from October 6, 2003 until the classification was changed by the Board in 2005).

I am requesting the necessary actions to complete this, and would be happy to assist with any additional information or questions you may have.

Thank you so much for your help on this.

Sincerely,

Paul F. Alexander III

Attachment: BCC Board Meeting Minutes, June 7, 2005

Cc: Kenneth T. Welch, Commissioner District 7
Carole Sanzeri, Sr. Assistant County Attorney

RESOLUTION NO. 05-123

WHEREAS, Florida Statutes, Sections 121.021 and 121.055, which define and govern membership within the Florida "Senior Management Service Class" of the Florida Retirement System, was amended during the 1993 legislative session to enable "local agency employers" to designate specified numbers of non-elected positions within their respective agencies for inclusion within the "Senior Management Service Class;" and

WHEREAS, Florida Statutes, Section 121.055(1)(b)1.b provides for the designation of at least 10 non-elected full time positions as being in the Senior Management Service Class for each local agency employer which reports to the Division of Retirement, and provides for the designation of up to 1 percent of the regularly established positions within a local agency as being in the Senior Management Service Class, where the local agency has 100 or more regularly established positions; and

WHEREAS, Florida Statutes 121.05(1)(b)1.c provides that each position which is designated by a local agency as being within the Senior Management Service Class must be a managerial or policy-making position, filled by an employee not subject to a continuing contract or given Civil Service protection; and who either heads an organizational unit or has responsibility to effect or recommend personnel, budget, expenditure or policy decisions in that employee's area of responsibility; and

WHEREAS, the Board of County Commissioners has determined that it is a local agency employer under the terms of Florida Statutes, Section 121.021, and, furthermore, has determined that it has at least 3,400 regularly established positions within the agency which includes the employees of the Construction Licensing Board, County Administrator, County Attorney, Information Technology Department, Office of Human Rights, and the Personnel Department;

WHEREAS, the Florida Retirement System advised that the Board of County Commissioners is the appropriate agency to designate any positions within the different parts of the agency designated above; and

WHEREAS, includable positions must be specifically designated by position and may not be designated in advance by class; and

WHEREAS, the position of Director of Information Technology meets the statutory criteria for inclusion in the Senior Management Service Class; and

WHEREAS, the Pinellas County Board of County Commissioners, as previously advertised on May 23, 2005 and May 30, 2005 in the St. Petersburg Times, desires to designate the position of Director of Information Technology as part of the Senior Management Service Class effective October 6, 2003;

NOW THEREFORE, BE IT RESOLVED, that the position of Director of Information Technology created within Pinellas County Government is hereby designated, for the purposes of Florida Statutes, Section 121.055, as being within the Senior Management Service Class.

AYES: Morrone, Welch, Stewart, Harris, Latvala and Duncan.

NAYES: See 1.

ABSENT AND NOT VOTING: None.

	rate			
	0.065			
	balance		updated balance	accruing
	on 6/30	interest		wages
2004	1455.33	94.6	1549.93	1455.33 oct03-jun04
2005	3848.47	250.15	4098.62	2298.54 jul 04-jun05
2006	4697.63	305.35	5002.98	599.01 jul05-aug05
2007	5002.98	325.19	5328.17	0
2008	5328.17	346.33	5674.5	0
2009	5674.5	368.84	6043.34	0
2010	6043.34	392.82	6436.16	0
2011	6436.16	418.35	6854.51	0
2012	6854.51	445.54	7300.05	0
2013	7300.05	474.5	7774.55	0
2014	7774.55	505.35	8279.9	0
2015	8279.9	538.19	8818.09	0
2016	8818.09	573.18	9391.27	0
total interest @ 6.5%		5038.39	9391.53	correspondence amt
				-0.26 calc difference

	rate			
	0.065			
	balance	interest	updated balance	accruing wages
	on 6/30			
2004	1455.33	94.6	1549.93	1455.33 oct03-jun04
2005	3848.47	250.15	4098.62	2298.54 jul 04-jun05
2006	4697.63	305.35	5002.98	599.01 jul05-aug05
2007	5002.98	325.19	5328.17	0
2008	5328.17	346.33	5674.5	0
2009	5674.5	368.84	6043.34	0
2010	6043.34	392.82	6436.16	0
2011	6436.16	418.35	6854.51	0
2012	6854.51	445.54	7300.05	0
2013	7300.05	474.5	7774.55	0
2014	7774.55	505.35	8279.9	0
2015	8279.9	538.19	8818.09	0
2016	8818.09	573.18	9391.27	0
2017	9391.27	610.43	10001.7	
total interest @ 6.5%		5648.82	9391.53	correspondence amt
			610.17	calc difference b including 2017 interest

	rate			
	0.03			
	balance		updated balance	accruing
	on 6/30	interest		wages
2004	1455.33	43.66	1498.99	1455.33 oct03-jun04
2005	3797.53	113.93	3911.46	2298.54 jul 04-jun05
2006	4510.47	135.31	4645.78	599.01 jul05-aug05
2007	4645.78	139.37	4785.15	0
2008	4785.15	143.55	4928.7	0
2009	4928.7	147.86	5076.56	0
2010	5076.56	152.3	5228.86	0
2011	5228.86	156.87	5385.73	0
2012	5385.73	161.57	5547.3	0
2013	5547.3	166.42	5713.72	0
2014	5713.72	171.41	5885.13	0
2015	5885.13	176.55	6061.68	0
2016	6061.68	181.85	6243.53	0
total interest @ 3%		1890.65	9391.53	correspondence amt
				-3148.00 calc difference

	rate			
	0.03			
	balance			accruing
	on 6/30	interest	updated balance	wages
2004	1455.33	43.66	1498.99	1455.33 oct03-jun04
2005	3797.53	113.93	3911.46	2298.54 jul 04-jun05
2006	4510.47	135.31	4645.78	599.01 jul05-aug05
2007	4645.78	139.37	4785.15	0
2008	4785.15	143.55	4928.7	0
2009	4928.7	147.86	5076.56	0
2010	5076.56	152.3	5228.86	0
2011	5228.86	156.87	5385.73	0
2012	5385.73	161.57	5547.3	0
2013	5547.3	166.42	5713.72	0
2014	5713.72	171.41	5885.13	0
2015	5885.13	176.55	6061.68	0
2016	6061.68	181.85	6243.53	0
2017	6243.53	187.31	6430.84	
total interest @ 3%		2077.96	9391.53	correspondence amt
				-2960.69 calc difference b including 2017 interest