

CITY OF POMPANO BEACH
Broward County, Florida

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH AMENDING CHAPTER 34, "CITY POLICY," OF THE CITY OF POMPANO BEACH CODE OF ORDINANCES RELATING TO THE POLICE & FIREFIGHTERS' RETIREMENT SYSTEM BY CREATING A NEW SECTION 34.0605, "SUPPLEMENTAL SHARE PLAN RETIREMENT BENEFIT FOR POLICE OFFICERS," PROVIDING FOR THE CREATION OF A SUPPLEMENTAL RETIREMENT BENEFIT FOR POLICE OFFICERS TO BE FUNDED SOLELY FROM PREMIUM TAX REVENUES RECEIVED BY THE CITY PURSUANT TO CHAPTER 185, FLORIDA STATUTES; BY AMENDING SECTION 34.061, "CONTRIBUTIONS," TO PROVIDE FOR THE USE OF PREMIUM TAX REVENUES RECEIVED BY THE CITY PURSUANT TO CHAPTER 185, FLORIDA STATUTES; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, in 2015 the Florida legislature enacted legislation amending Chapter 185, Florida Statutes, requiring a change in the allocation of Chapter 185 premium tax revenues received by the City; and

WHEREAS, the 2015 legislation also requires that a defined contribution "share" plan for police officers be created as a component of the Police and Firefighters' Retirement System, funded entirely by Chapter 185 premium tax revenues, to provide special benefits for police officers; and

WHEREAS, the City Commission has received and reviewed an actuarial impact statement from the Retirement System's actuary relating to the amendment set forth herein; and

WHEREAS, pursuant to law, ten (10) days' notice has been given by publication in a paper of general circulation in the City, notifying the public of this proposed ordinance and of a public hearing in the City Commission Chambers of the City of Pompano Beach; and

WHEREAS, a public hearing before the City Commission was held pursuant to the published notice described above, at which hearing the parties in interest and all other citizens so desiring had an opportunity to be and were, in fact, heard; now therefore,

BE IT ENACTED BY THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1. That Section 34.0605, "Supplemental Retirement Benefit for Police Officers," of Chapter 34, "City Policy," of the Pompano Beach Code of Ordinances, is hereby created to read as follows:

**§34.0605 SUPPLEMENTAL SHARE PLAN RETIREMENT BENEFIT
FOR POLICE OFFICERS.**

(A) Effective October 1, 2015, one-half of the premium tax revenues received from the State of Florida pursuant to Chapter 185, Florida Statutes, that exceed the amount so received for calendar year 2012, shall be used for the supplemental share plan benefit as follows.

(B) The supplemental pension retirement benefit shall consist of an individual share account for each active and retired police officer, including DROP participants but not including survivor annuitants or beneficiaries. The supplemental pension retirement benefit shall be funded solely by premium tax revenues received by the city pursuant to F.S. Chapter 185, as provided for by the City of Pompano Beach Code of Ordinances. The total initial amount to be allocated to the participants' share accounts as provided herein shall be \$107,581.00. For plan years beginning October 1, 2015 and later, one-half of all annual premium tax revenues received by the city pursuant to F.S. Chapter 185, in excess of \$876,088.00 shall be allocated to the participants' share accounts as provided for herein. Participants' share accounts shall be credited with premium tax revenues and investment earnings or losses, and interest, and distributed as follows:

(1) *Initial crediting.* The share account of each active police officer and DROP member who is on BSO's payroll as of September 12, 2015, shall be credited retroactively as follows. Each member who was employed on September 12, 2015 as a police officer shall receive one share. The total number

of shares thus determined shall be divided into one-half of the initial amount of premium tax revenues to be allocated (\$107,581) to derive the initial value of each share.

(2) *Annual crediting.* Effective January 1, 2016, and each January 1 thereafter, the share account of each active police officer and DROP member on BSO's payroll as of the preceding September 30 shall be credited as follows. Each active police officer and DROP participant who was employed on the preceding September 30 shall receive one share. The total number of shares thus determined shall be divided into the premium tax revenues received during that plan year (or in the case of a supplemental distribution, revenues applicable to that plan year even if received after the end of the plan year) in excess of \$876,088, to determine the amount to be credited to the share account of each eligible share plan participant. Once the number of active police officers and DROP members employed on any September 30 is less than 50% of the number of active police officers and DROP participants who were employed on September 12, 2015, then each January 1 thereafter, each active police officer, DROP participant and retiree who was employed or receiving pension benefits on the preceding September 30 shall receive one share. The total number of shares thus determined shall be divided into the premium tax revenues received during that plan year (or in the case of a supplemental distribution, revenues applicable to that plan year even if received after the end of the plan year) in excess of \$876,088, to determine the amount to be credited to the share account of each eligible share plan participant (active police officers, DROP participants and retirees).

(3) *Investment earnings and losses, or interest.* Effective January 1, 2016, and each January 1 thereafter, the share account of each active police officer and DROP participant shall be credited or debited with earnings or losses based upon the amount in the share account at the close of the immediately preceding calendar year at a rate equal to the pension plan's actual net rate of investment return for the preceding plan year. In the alternative, such active police officer or DROP participant share plan participants who are five years or less before their expected termination of employment date shall have the option to make a one-time irrevocable election, in writing to the Board of Trustees for the Retirement System, to have interest credited to their share account from a money market mutual fund selected by the Board of Trustees, rather than credited or debited at the pension plan's actual net rate of investment return. Only the share plan accounts of active police officers and DROP participants will be credited with interest or investment earnings and losses and shall be credited or debited with the pension plan's actual net rate of investment return unless otherwise elected by a member as provided for herein.

(4) *Distribution of share accounts.* Retirees shall receive annual payments of the amounts credited to their share accounts by March 1 of each year. An active police officer or DROP participant upon termination of

employment and eligibility for receipt of pension benefits shall receive a distribution of 100% of the balance in his or her share account, together with all earnings and losses and interest credited to the share account through the date of termination of employment. The designated beneficiary of an active police officer who dies shall receive the accumulated total of his or her share account balance, and an active police officer awarded a disability pension from the pension plan shall receive the accumulated total of his or her share account balance. There shall be no forfeiture of a member's share account based on the member's death, disability or termination of employment except as provided by law. Payment of share account benefits shall be by lump sum, which shall consist of the accumulated total balance of the active police officer's or DROP participant's share account or, at the participant's direction, the share account balance may be rolled over to another qualified plan in accordance with §34.0571(D) of this plan, with an additional payment made for any amount credited in the year following termination of employment.

(5) *Termination and amendment.* This supplemental share plan retirement benefit shall remain in effect until all persons eligible to receive payments hereunder have died or until this share plan is sooner amended by the City Commission as a result of a ratified collective bargaining agreement between the Broward Sheriff's Office and the certified collective bargaining representative of its police officers who are participants of this Retirement System, or otherwise in accordance with law.

SECTION 2. That Section 34.061, "Contributions," of Chapter 34, "City Policy," of the Pompano Beach Code of Ordinances, is hereby amended to read as follows:

§ 34.061 CONTRIBUTIONS.

...

(B) Any money received or receivable by reason of laws of the state for the express purpose of funding and paying for retirement benefits for police officers and firefighters of the city shall be deposited immediately, and under no circumstances more than five days after receipt, in the trust fund comprising part of this system. Effective for plan years beginning October 1, 2015 and later, all annual premium tax revenues received pursuant to Chapter 185, Florida Statutes, up to \$876,088, plus one-half of any amount received in excess of \$876,088 shall be used to reduce the employer's actuarially determined contribution to the system. The other one-half of any annual amount of Chapter 185 premium tax revenues received in excess of \$876,088 shall be used to fund the supplemental share plan retirement benefit for police officers as provided in § 34.0605. In addition, 50% of the accumulated excess Chapter 185 premium tax reserve account as of October 1, 2015 (\$107,581) shall be used to pay down the unfunded liability of the system attributable to police officers, and the other 50% of the

accumulated excess Chapter 185 premium tax reserve account as of October 1, 2015 (\$107,581) shall be used to fund the supplemental share plan retirement benefit for police officers as provided in section 34.0605.

...

SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4. If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect any provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

SECTION 5. This Ordinance shall become effective upon passage; however, the provisions of this Ordinance that are specified to take effect as of a date certain shall take effect as of the date specified herein.

PASSED FIRST READING this _____ day of _____, 2016.

PASSED SECOND READING this _____ day of _____, 2016.

LAMAR FISHER, MAYOR

ATTEST:

ASCELETA HAMMOND, CITY CLERK

TAL:jrm
9/22/16
L:ord./Ch. 34/2016-316