

**ORDINANCE NO. 170-01-101**

**AN ORDINANCE OF THE CITY OF LAUDERHILL, FLORIDA, AMENDING THE CITY CODE BY AMENDING CHAPTER 2, ARTICLE II, OFFICERS AND EMPLOYEES, DIVISION 3, RETIREMENT, PART 3 "POLICE PENSION PLAN AND TRUST FUND"; AMENDING SECTION 2-75 "DEFINITIONS"; AMENDING SUBSECTION 2-87.3 "POST RETIREMENT SUPPLEMENT"; AMENDING 2-79 "SERVICE RETIREMENT BENEFIT"; CREATING A NEW SUBSECTION 2-87.4 "DEFINED CONTRIBUTION COMPONENT"; CREATING A NEW SUBSECTION 2-87.5 "USAGE OF PREMIUM TAX REVENUES"; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR AN EFFECTIVE DATE (REQUESTED BY CITY MANAGER, CHARLES FARANDA)**

WHEREAS, during the 2015 regular session of the State of Florida Legislature, Chapter No. 2015-39, Laws of Florida (Senate Bill 172) was passed and subsequently enacted; and

WHEREAS, Senate Bill 172 addresses the use of state-provided premium tax revenues in the funding of local government police pension plans under Chapter 185, Florida Statutes; and

WHEREAS, Section 185.35(1)(g), Florida Statutes, permits the City of Lauderhill (the "City") to mutually consent as to how these premium tax revenues are to be used with both the Florida State Lodge, Fraternal Order of Police, and the Broward County Police Benevolent Association (collectively, the "Unions"); and

WHEREAS, Section 185.35(6), Florida Statutes, requires the creation of a defined contribution "share plan"; and

WHEREAS, the City negotiated successor collective bargaining agreements with the Unions for both law enforcement bargaining units, which are in effect from October 1, 2016 through September 30, 2019 (the "Agreements"); and

WHEREAS, in the Agreements, the City and the Unions agreed to amend the City of Lauderhill Police Pension Plan and Trust Fund ("Police Pension Plan") to define the normal retirement date for Tier Two participants as the completion of 25 years of credited service, or upon the attainment of fifty-five (55) years of age and seven (7) years of credited

service; and

WHEREAS, in the Agreements, the City and the Unions agreed to modify the post-retirement stipend such that all members who were employed by the City on or after the date on which the Agreements were ratified would be eligible to receive it, which is equal to \$10/month per year of service up to a maximum of 20 years of service (\$200/month), and ends at 65 years of age; and

WHEREAS, in the Agreements and pursuant to the requirements of Florida Statutes 185.35(6), a defined contribution plan ("DC Plan") is hereby created, but not activated and funded; and

WHEREAS, in the Agreements, the City and the Union reached mutual consent on how the insurance premium tax revenues should be utilized by the Police Pension Plan; and

WHEREAS, to implement the pension changes contained in the Agreements and comply with applicable pension laws, it is necessary to adopt an ordinance amending the retirement system as set forth in Chapter 2, Article II of the City's Code of Ordinances; and

WHEREAS, the City Council finds that it is in the best interest of the City and its employees to amend the City Code to implement the aforementioned changes.

NOW, THEREFORE, IT IS HEREBY ORDAINED BY THE CITY COMMISSION OF THE CITY OF LAUDERHILL, FLORIDA, AS FOLLOWS:

**Section 1.** Each of the above stated recitals is hereby adopted and confirmed.

**Section 2.** Section 2-75 "Definitions" of Chapter 2, Article II, Division 3, Part 3 "Police Pension Plan and Trust Fund" of the City Code is hereby amended to read as follows:

**Sec. 2-75. Definitions.**

\* \* \* \* \*

Minimum vesting shall mean ten (10) years of credited service for Tier One participants and seven (7) years for Tier Two participants before the

member is entitled to retirement benefits except for service-incurred disability retirement income or service incurred death benefits.

\* \* \* \* \*

Premium tax revenues means State insurance premium tax revenues remitted annually to the city, which are collected on casualty insurance policies in the city in accordance with Chapter 185, Florida Statutes.

\* \* \* \* \*

*Tier Two* means the defined benefit pension program for police officers hired on or after March 23, 2009. Tier Two benefits shall be administered in the same manner as Tier One benefits, except as follows:

\* \* \* \* \*

- (2) The normal retirement date for Tier Two participants shall be the completion of twenty-five (25) years of service or upon the attainment of fifty-five (55) years of age and seven (7) ~~ten (10)~~ years of service;

\* \* \* \* \*

**Section 3.** Section 2-79 "Service retirement benefit" of Chapter 2, Article II, Division 3, Part 3 "Police Pension Plan and Trust Fund" of the City Code is hereby amended to read as follows:

**Sec. 2-79. - Service retirement benefit.**

- (a) A Tier One member may retire on the first day of the month coincident with or next following the earlier of: the date upon which the member completes twenty (20) years of credited service regardless of age; or the date upon which the member attains age fifty-five (55) with five (5) years of credited service. A Tier One member shall become fully vested after earning five (5) years of credited service. There shall be no mandatory retirement age. Notwithstanding anything to the contrary, Tier Two members shall be eligible to retire on the first day of the month coincident with or next following the date on which such member completes twenty-five (25) years of credited service, regardless of age, or reaches age fifty-five (55) and completes seven (7) ~~ten (10)~~ years of credited service, whichever shall occur first.

\* \* \* \* \*

(e) A member electing early retirement may receive either a deferred payment or an immediate payment under the following formula:

(1) A deferred payment shall commence on the normal retirement date of the member as defined in section 2-75 and subsection (a) of this section. ~~This shall mean the date upon which the member attains age fifty-five (55) with ten (10) years of credited service.~~ A deferred payment shall be determined in the same manner as a normal retirement, except that final monthly compensation and credited service shall be based upon the early retirement date.

(2) An immediate retirement benefit may commence on the first day of the month coincident with or next following the date of early retirement. The benefit shall be determined for normal retirement and then actuarially reduced for the number of actual years and months at which the starting date of the benefit precedes the normal retirement date as defined herein. ~~The normal retirement date shall be the date upon which the member would have attained age fifty-five (55) with ten (10) years of credited service.~~ The actuarial reduction factor applied to the benefit shall be three (3) percent for each year by which the starting date of the benefit precedes the normal retirement date.

**Section 4.** Subsection 2-87.3 "Post retirement supplement" of Chapter 2, Article II, Division 3, Part 3 "Police Pension Plan and Trust Fund" of the City Code is hereby amended to read as follows:

**Sec. 2-87.3. - Post retirement supplement.**

(a) In addition to the monthly retirement benefits provided by this plan, there shall be a supplemental payment of ten dollars (\$10.00) per month per year of service for all members employed by the city on or after April 25, 2011 and retired on or before September 28, 2016, provided such member has at least twenty (20) years of credited service with the city or provided such members left the city at age fifty-five (55) or older with more than five (5) years of credited service with the city. This benefit shall commence on the fifth anniversary date of termination of service and shall cease upon the member reaching sixty-five (65) years of age.

(b) For bargaining unit employees employed by the city on or after September 28, 2016, the provision of the supplemental payment shall be based on the following: ten dollars (\$10.00) per month per year of service up to a maximum of 20 years of service (\$200/month) shall be provided to all members employed by the city on or after September 28, 2016, provided such member is eligible to begin drawing his/her normal retirement benefit immediately upon separation. This benefit shall cease upon the member reaching sixty-five (65) years of age.

**Section 5.** Subsection 2-87.4 "Defined Contribution Component" of Chapter 2, Article II, Division 3, Part 3 "Police Pension Plan and Trust Fund" of the City Code is hereby created to read as follows:

**Sec. 2-87.4. - Defined Contribution Component.**

(a) Pursuant to the requirements of Florida Statutes 185.35(6), a defined contribution plan ("DC Plan") is hereby created, which DC Plan shall comply with the Internal Revenue Code if activated and funded. This DC Plan shall be a component of the retirement plan and exist in conjunction with the defined benefit component that meets minimum benefits and minimum standards.

(b) The DC Plan shall not be activated unless and until a portion of premium tax revenues has been assigned to fund the DC Plan as negotiated by the parties to the applicable bargaining unit contracts, or if mutual consent on the use of premium tax revenues is not achieved and the statutory default is engaged pursuant to Chapter 2015-39, Laws of Florida.

**Section 6.** Subsection 2-87.5 "Usage of Premium Tax Revenues" of Chapter 2, Article II, Division 3, Part 3 "Police Pension Plan and Trust Fund" of the City Code is hereby created to read as follows:

**Sec. 2-87.5. - Usage of Premium Tax Revenues.**

(a) All premium tax revenues received by the City in accordance with Chapter 185, Florida Statutes, shall be utilized prospectively in the same manner as they have been utilized under existing past practice.

(b) All funds in the excess state monies reserve shall be applied to reduce the City pension contribution.

**Section 7.** The provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining section, sentences, clauses, and phrases of this Ordinance but they shall remain in effect, if being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

**Section 8.** It is the intention of the City Commission, and it is hereby ordained that this Ordinance shall become and be made a part of the City of Lauderdale Code; that the sections of this Ordinance may be renumbered or relettered to accomplish such intention; and that the word "Ordinance" shall be changed to "Section" or other appropriate word.

**Section 9.** That this Ordinance shall be effective immediately upon adoption on Second Reading, except as otherwise specifically provided herein.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2017.

PASSED on first reading this \_\_\_\_ day of \_\_\_\_\_, 2017.

PASSED AND ADOPTED on second reading this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
PRESIDING OFFICER

ATTEST:

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CITY CLERK

FIRST READING

SECOND READING

MOTION  
SECOND

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M. BATES  
H. BENSON  
H. BERGER  
K. THURSTON  
R. KAPLAN

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