

ORDINANCE NO. 14O-09-152

AN ORDINANCE OF THE CITY OF LAUDERHILL, FLORIDA, AMENDING THE CITY OF LAUDERHILL CODE OF ORDINANCES, CHAPTER 2, ADMINISTRATION, ARTICLE II, OFFICERS AND EMPLOYEES, DIVISION 3, RETIREMENT, PART 3, POLICE PENSION PLAN AND TRUST FUND, SECTION 2-75 TO CHANGE THE DEFINITION OF EARNABLE COMPENSATION FOR TIER ONE EMPLOYEES; AMENDING SECTION 2-87.1, DEFERRED RETIREMENT OPTION PLAN, TO INCLUDE THE VALUE OF A MEMBER'S ACCRUED HOLIDAY/INCENTIVE, VACATION AND SICK TIME IN A TIER ONE PARTICIPANT'S RETIREMENT BENEFIT WHEN THE MEMBER ENTERS DROP AND TO CHANGE THE METHOD OF CALCULATING INTEREST ON MEMBERS' DROP ACCOUNTS; PROVIDING FOR CODIFICATION; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE (REQUESTED BY CITY MANAGER, CHARLES FARANDA)

WHEREAS, the City of Lauderhill (the "City") maintains a defined benefit pension plan for its certified police officers, which is known as the City of Lauderhill Police Officers Retirement Plan (the "Plan"), and which is codified in Chapter 2, Article 2 of the City Code; and

WHEREAS, on April 28, 2014, the City and the Florida State Lodge, Fraternal Order of Police, Inc. ("FOP"), which represents a bargaining unit of the City's police officers and sergeants, ratified a collective bargaining agreement ("CBA"), wherein the parties agreed that, following ratification of the CBA, the City would adopt an ordinance amending the Plan to provide for the codification of the changes to the Plan set forth in the CBA; and

WHEREAS, on May 12, 2014, the City and the Broward County Police

Benevolent Association ("PBA"), which represents a bargaining unit consisting of the City's police lieutenants, ratified a Memorandum of Understanding ("MOU"), wherein the parties agreed that, following ratification of the MOU and contingent upon the ratification of the CBA, the City would adopt an ordinance amending the Plan to provide for the codification of the changes to the Plan set forth in the CBA and MOU; and

WHEREAS, the Plan should be amended to conform with the collectively bargained changes to the Plan as set forth in the CBA and MOU; and

WHEREAS, the City Commission finds that it is in the best interests of the City, its employees and its citizens and taxpayers to amend the Plan; and

WHEREAS, prior to Second Reading of this Ordinance, the City Commission has received, reviewed and considered an actuarial impact statement describing the actual impact of the amendments provided herein.

NOW, THEREFORE, BE IT ORDAINED by the City Commission of the City of Lauderhill:¹

Section 1. That each of the above-stated recitals are hereby adopted and confirmed.

Section 2. That Section 2-75 of the City Code is hereby amended to read as follows:

Sec. 2-75. Definitions.

* * *

Earnable compensation for Tier One members (i.e., those members hired prior to March 23, 2009) who retired or were eligible for normal retirement on or before

¹ Words in ~~strikeout~~ type are deletions from existing text and words in underline type are additions to existing text.

April 28, 2014 shall mean such member's total cash remuneration for services rendered. For any such person who first became a plan member on or after January 1, 1996, compensation for any plan year shall not include any amounts in excess of the Internal Revenue Code Section 401(a)(17) limitation, as amended by the Omnibus Budget and Reconciliation Act of 1993, which limit of one hundred fifty thousand dollars (\$150,000.00) shall be adjusted as required by federal law for qualified government plans and shall be further adjusted for change in the cost-of-living in the manner prescribed by the IRC, Section 401(a)(17)(B). For any such person who first became a member prior to the first plan year beginning on or after January 1, 1996, the limitation on compensation shall be not less than the maximum amount which was allowed to be taken into account under the plan as in effect on July 1, 1993, which limitation shall be adjusted for changes in the cost-of-living since 1989 in the manner provided by IRC Section 401(a)(17) (1991). Notwithstanding the foregoing, the board may include any covered compensation to the extent permitted for such member by the law in effect in the year in which the income was earned. Effective April 25, 2011, the payouts of accrued holiday/incentive time will be treated as earnable compensation only for employees who will be eligible for normal retirement under the plan within ten (10) years of the date such employees make the election to sell back their accrued holiday/incentive time. For said employees, the city will deduct pension contributions from the payouts of accrued holiday/incentive time and such payouts will be treated as earnable compensation provided the money is paid out in the employee's calculating years for retirement under the plan. Earnable Compensation for Tier One members (i.e., those members hired prior to March 23, 2009) who did not retire and were not eligible for normal retirement as of April 28, 2014 shall be defined as a member's base pay, longevity pay, education incentive pay as provided by F.S. § 943.22, assignment pay, up to three hundred (300) hours of overtime per calendar year and payouts for accrued holiday/incentive, vacation and/or sick time earned prior to September 30, 2013. The value of such accrued holiday/incentive, vacation and/or sick time earned as of September 30, 2013 shall be at each individual member's rate of pay as of April 28, 2014 or September 30, 2014, whichever is higher. Earnable Compensation for Tier Two members (i.e., those

members hired on or after March 23, 2009) shall be defined as a member's base pay, longevity pay, education incentive pay as provided by F.S. § 943.22, assignment pay and up to three hundred (300) hours of overtime per calendar year.

* * *

Section 3. That Section 2-87.1 of the City Code is hereby amended to read as follows:

Sec. 2-87.1. Deferred retirement option plan.

* * *

(d) Upon exercising the right to participate in the DROP, an employee's credited service, accrued benefits and earnable compensation calculation shall be frozen, and the best five (5) years out of the last ten (10) years of employment immediately preceding participation in the DROP shall be utilized to determine benefits. For the purpose of determining benefits for a Tier One DROP participant, the value of a member's pensionable accrued holiday/incentive, vacation and sick time as of April 28, 2014 will be included based on the member's rate of pay as of the earlier of the date the member enters the DROP or September 30, 2014, provided that the member still maintains said leave at the time he/she enters the DROP.

* * *

(f) For the purpose of determining interest earned on a member's DROP account prior to April 28, 2014, an employee's account in the DROP program shall earn interest at the same rate as the investment earnings assumption for the plan (currently seven and three quarters percent (7.75%) per year, compounded annually). The investment earning assumption may be adjusted up or down during

participation in the DROP, which would result in a change in the prospective interest rate credit on the individual's DROP account. For the purpose of determining interest earned on a member's DROP account on or after April 28, 2014, a member's DROP account shall be credited (if applicable) at a rate of interest as set forth herein. The rate of interest that will be used is the monthly actual rate of return achieved by the Trust Fund, positive or negative, net of investment and other direct administrative expenses (the "Actual Rate of Return"). Upon exiting the DROP, a participant's account cannot be less than the sum of their monthly payments into the DROP during their DROP period. Members shall not have the option of receiving a fixed amount in their DROP account for any period after April 28, 2014.

* * *

Section 4. Severability. Should this ordinance or any part thereof be declared invalid by a Court of competent jurisdiction, the invalidity of any part of this ordinance shall not otherwise affect the validity of the remaining provisions of this ordinance, which shall be deemed to have been enacted without the invalid provision.

Section 5. Repeal. All sections or parts of sections of the Code of Ordinances of the City of Lauderhill, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith, be and the same are hereby repealed to the extent of such conflict.

Section 6. Inclusion in the Code. It is the intention of the City Commission of the City of Lauderhill that the provisions of this ordinance shall become and be made a part of the Code of the City of Lauderhill, and that the word "ordinance" may be changed to "section," "article," or such other appropriate word or phrase in order to accomplish such intentions.

Section 7. Effective Date. This ordinance shall become effective

immediately upon its passage, unless otherwise provided.

DATED this 26 day of January, 2015

PASSED on first reading this 15 day of September, 2014.

PASSED AND ADOPTED on second reading this 26 day of January, 2015.

PRESIDING OFFICER

ATTEST:

CITY CLERK

	FIRST READING	SECOND READING
MOTION	<u>Bates</u>	<u>Bates</u>
SECOND	<u>Thurston</u>	<u>Benson</u>
M. BATES	<u>Yes</u>	<u>Yes</u>
H. BENSON	<u>Yes</u>	<u>Yes</u>
H. BERGER	<u>Yes</u>	<u>Absent</u>
K. THURSTON	<u>Yes</u>	<u>Yes</u>
R. KAPLAN	<u>Yes</u>	<u>Yes</u>