

1 Introduced by Council President at the request of the Mayor and
2 Substituted by the Rules Committee and Substituted by the Finance
3 Committee and amended on the Floor of Council:
4
5

6 **ORDINANCE 2014-386-E**

7 AN ORDINANCE PERTAINING TO CHAPTER 121 (POLICE
8 AND FIREFIGHTERS PENSION PLAN), ORDINANCE
9 CODE; CREATING SECTION 121.101(F); AMENDING
10 121.107 (D)(CREDIT FOR BROKEN SERVICE,
11 CONTINUOUS SERVICE, PARTIAL YEARS
12 TRANSFERABILITY, AND SERVICE AS A FLORIDA
13 STATE CERTIFIED POLICE OFFICER OR FIRE
14 FIGHTER); AMENDING SECTION 121.102(E) (POLICE
15 AND FIRE PENSION PLANS) CREATING A NEW
16 CATEGORY OF MEMBER KNOWN AS A "GROUP II
17 MEMBER" BASED UPON A DATE OF HIRE ON OR AFTER
18 THE PROSPECTIVE EFFECTIVE DATE OF ORDINANCE
19 2014-386-E AND SECTION 121.113(A)(1),
20 121.113(A)(2), AND (B) (CALCULATION OF PENSION
21 CONTRIBUTIONS FOR POLICE AND FIRE PENSION
22 FUND) REVISING THE CONTRIBUTION PERCENTAGES OF
23 EXISTING POLICE AND FIRE PENSION PLAN MEMBERS;
24 CREATING SECTION 121.114 (UNFUNDED ACTUARIAL
25 LIABILITY; MUTUAL CONTRIBUTIONS) TO OUTLINE
26 THE MUTUAL OBLIGATIONS OF THE CITY AND THE
27 POLICE AND FIRE PENSION FUND BOARD OF TRUSTEES
28 IN ADDRESSING THE UNFUNDED LIABILITY; CREATING
29 SECTION 121.115 (SUPPLEMENTAL SHARE PLAN);
30 CREATING SECTION 121.116 (BOARD OF TRUSTEES
31 INVESTMENT AUTHORITY) TO OUTLINE THE

1 INVESTMENT AUTHORITY OF THE POLICE AND FIRE
2 PENSION FUND BOARD OF TRUSTEES; CREATING
3 SECTION 121.117 (EXECUTIVE DIRECTOR
4 ADMINISTRATOR) TO OUTLINE THE QUALIFICATIONS
5 FOR FUTURE EXECUTIVE ADMINISTRATORS OF THE
6 POLICE AND FIRE PENSION FUND; CREATING SECTION
7 121.118 (USE OF GENERAL COUNSEL) TO OUTLINE
8 THE POLICE AND FIRE PENSION FUND'S USE OF THE
9 OFFICE OF GENERAL COUNSEL; AMENDING SECTION
10 121.201 (RETIREMENT BENEFITS) TO CREATE
11 SECTION 121.201A FOR "GROUP I MEMBERS" AND TO
12 CREATE SECTION 121.201B FOR "GROUP II MEMBERS"
13 TO OUTLINE THE PENSION BENEFITS EXTENDED TO
14 EACH GROUP, SECTION 121.204 (SURVIVING
15 SPOUSE'S BENEFITS), SECTION 121.206
16 (CHILDREN'S BENEFITS), AND SECTION 121.209
17 (DEFERRED RETIREMENT OPTION PROGRAM (DROP) FOR
18 GROUP I MEMBERS); CREATING NEW SECTION 121.211
19 (BACKDROP FOR GROUP II MEMBERS) TO ESTABLISH
20 THE BACKDROP PROGRAM OF PENSION BENEFITS
21 EXTENDED TO GROUP II MEMBERS; AMENDING CHAPTER
22 121 TO CREATE A NEW PART 5 (FINANCIAL
23 INVESTMENT AND ADVISORY COMMITTEE); AMENDING
24 CHAPTER 121 TO CREATE A NEW PART 6 (ETHICS,
25 FIDUCIARY RESPONSIBILITIES AND BEST
26 PRACTICES); AMENDING ARTICLE 22 (JACKSONVILLE
27 POLICE AND FIRE PENSION BOARD OF TRUSTEES) OF
28 THE CHARTER OF THE CITY OF JACKSONVILLE;
29 PROVIDING FOR RATIFICATION DISCLAIMER;
30 APPROVING THE 2014 RETIREMENT REFORM
31 AGREEMENT; ATTACHING THE REQUIRED ACTUARIAL

1 IMPACT STATEMENT; PROVIDING FOR A SUNSET
2 PROVISION; PROVIDING FOR A PROSPECTIVE
3 EFFECTIVE DATE OF THE ORDINANCE UNTIL A
4 PERMANENT FUNDING SOURCE HAS BEEN PROVIDED BY
5 THE MAYOR AND ENACTED BY ORDINANCE BY THE CITY
6 COUNCIL; PROVIDING AN EFFECTIVE DATE.

7 **WHEREAS**, the consolidated City of Jacksonville (the "City") has
8 both a Jacksonville Sheriff's Office and a Jacksonville Fire/Rescue
9 Department and seeks to continue to offer a retirement Plan to law
10 enforcement officers and firefighters that will provide appropriate
11 benefits and be financially stable; and

12 **WHEREAS**, the City seeks to continue to offer a competitive but
13 financially sustainable retirement Plan to law enforcement officers
14 and firefighters; and

15 **WHEREAS**, the retirement Plan for Jacksonville law enforcement
16 officers and firefighters is implemented by the Jacksonville Police
17 and Fire Pension Fund Board of Trustees (also referred to as the
18 "JPFPPF", "Board" or "Pension Plan"), an independent agency of the
19 City of Jacksonville created by special act of the Florida
20 Legislature; and

21 **WHEREAS**, the Jacksonville Association of Firefighters (Local
22 122, International Association of Firefighters), which is the
23 collective bargaining agent for all firefighters and their ranked
24 superiors, and Fraternal Order of Police Lodge 5-30, which is the
25 collective bargaining agent for all law enforcement officers and
26 their ranked superiors, hereinafter referred to as the "Unions",
27 are bargaining units certified in accordance with Florida law that
28 presented waivers as to their right to collective bargaining on
29 pension benefits; and

30 **WHEREAS**, the Agreement, hereinafter known as the 2014
31 Agreement or Agreement, supersedes and replaces a series of

1 agreements commonly known as the "30 Year Settlement Agreement";
2 and

3 **WHEREAS**, the City and the Board (collectively referred herein
4 as "the Parties") have a shared desire to resolve those certain
5 outstanding retirement issues as set forth herein for the benefit
6 of taxpayers and Board members; and

7 **WHEREAS**, the Parties recognize and agree that it is in the
8 best interest of the members of the Board as well as the citizens
9 of the City of Jacksonville that those certain outstanding disputes
10 as related to the provisions herein be comprehensively and fully
11 resolved, without the need for further litigation; and

12 **WHEREAS**, the Parties represent that they will in good faith,
13 present and support the terms of the 2014 Pension Reform Agreement
14 (**attached hereto as Fourth Revised Exhibit 1**, labeled as "Fourth
15 Revised Exhibit 1, Fourth Rev Agmt, December 9, 2014 - Floor") to
16 their respective elected and/or appointed officials and use their
17 best efforts to obtain the approval of said officials necessary for
18 the implementation of the 2014 Pension Reform Agreement; and

19 **WHEREAS**, the Agreement and adoption of the ordinances
20 suggested therein will save the City of Jacksonville taxpayers at
21 least \$1.5 billion over the next 35 years; and

22 **WHEREAS**, the Parties agree to resolve these matters on the
23 terms and conditions set forth in the Agreement; and

24 **WHEREAS**, all prior settlement agreements between the Parties
25 and all amendments thereto are superseded and replaced by the terms
26 and conditions set forth pursuant to the terms of this Agreement;
27 and

28 **WHEREAS**, the Parties have agreed that the so-called "Thirty
29 Year Agreement", which includes all prior settlement agreements
30 between the Parties and all amendments thereto (i.e., 2000-1164-E,
31 2003-303-E, 2003-1338-E, and 2006-508-E), is superseded and

1 replaced by this Agreement, which will expire ten years after the
2 prospective effective date of this Agreement, except for the
3 provisions in the 2014 Agreement labeled "Governance of the Police
4 and Fire Pension Fund," which will expire on September 30, 2030,
5 and nothing herein shall be construed as ratification or approval
6 of the "Thirty Year Agreement"; and

7 **WHEREAS**, upon the approval of the Agreement by both the Board
8 and the City (inclusive of City Council and the Mayor), the
9 Plaintiffs and Cross-Claim Plaintiff will file an agreed upon
10 consent judgment in Randall Wyse, et al. vs. City of Jacksonville,
11 et al., Case No.: 3:13-cv-121-J-34MCR; and

12 **WHEREAS**, the City of Jacksonville shall withdraw its impasse
13 notices before the Florida Public Employees Relations Commission
14 associated with 2012 pension negotiations with the Fraternal Order
15 of Police, Lodge 5-30 and the Jacksonville Association of
16 Firefighters, Local 122, case numbers SM-2012-078 and SM-2012-092
17 respectfully; and

18 **WHEREAS**, the City Council, for the benefit of all parties,
19 seeks to amend the ordinance code in order to incorporate some of
20 the provisions of the Agreement; and

21 **WHEREAS**, the Agreement provides for the amendment of the
22 Ordinance Code and Charter as necessary the issues resolved in the
23 Agreement; now, therefore,

24 **BE IT ORDAINED** by the Council of the City of Jacksonville:

25 **Section 1. Part 1, Chapter 121, Ordinance Code Amended; New**
26 **Section 121.101 (f) created; Sections 121.102(e), 121.107(d) and**
27 **121.113 Amended; Sections 121.114, 121.115, 121.116, 121.117 and**
28 **121.118 Created.** Part 1, Chapter 121, Ordinance Code, is hereby
29 amended; Sections 121.101(f), 121.102(e), 121.107(d) and 121.113,
30 Ordinance Code, are hereby amended, and Sections 121.114, 121.115,
31 121.116, 121.117 and 121.118, Ordinance Code, are hereby created,

1 to read as follows:

2 **Chapter 121. POLICE AND FIREFIGHTERS PENSION PLAN**

3 **PART 1. POLICE AND FIRE PENSION FUND ADMINISTRATION**

4
5 **Sec. 121.101. Control and Administration of Police and Fire**
6 **Pension Fund.**

7 * * *

8 (f) From and after the prospective effective date of Ordinance
9 2014-386-E: (1) the Board shall not engage in the determination of
10 pension benefits and shall leave the negotiation and future
11 modification of pension benefits to elected City officials and
12 certified bargaining agents; (2) Nothing in this section shall be
13 construed to impair the rights provided under Article 1, Section 6
14 of the Florida Constitution or Chapter 447, Florida Statutes; (3)
15 All subjects of collective bargaining including but not limited to
16 pension or retirement benefits shall be subject to the requirements
17 of Chapter 447, Florida Statutes; (4) The City and any authorized
18 certified bargaining agent shall have the rights and be subject to
19 the provisions of Chapter 447, Florida Statutes, including but not
20 limited to the requirement for negotiations, the term limitation
21 set forth in Section 447.309(5), Florida Statute, and the impasse
22 process; (5) The City retains all rights to unilaterally take
23 action that alters benefits (pension or otherwise) as authorized
24 under Florida law; and (6) Nothing herein shall be construed to
25 wave the City's or the certified bargaining agent's right to
26 demand collective bargaining as authorized under Florida law.

27 **Sec. 121.102. Police and Fire Pension Plans.**

28 * * *

29 (e) Definitions of Membership Classes:

30 (1) Members: Are employees of the City of Jacksonville who
31 have enrolled in the Police and Fire Pension Plan and are

1 contributing to the Plan through payroll deduction and are either
2 classified as Group I Members or Group II Members.

3 (2) Group I Members: Are employees of the City of Jacksonville
4 who were hired by the City for full time employment prior to the
5 prospective effective date of Ordinance 2014-386-E and who have
6 enrolled in the Police and Fire Pension Plan and are contributing
7 to the Plan through payroll deduction.

8 (3) Group II Members: Are employees of the City of
9 Jacksonville who are hired by the City for full time employment on
10 or after the prospective effective date of Ordinance 2014-386-E and
11 who have enrolled in the Police and Fire Pension Plan and are
12 contributing to the Plan through payroll deduction.

13 (4) Group I Retirees: Are former Group I Members who are
14 retired under the terms of the Plan.

15 (5) Group II Retirees: Are former Group II Members who are
16 retired under the terms of the Plan.

17 (26) Qualified Members: Are ~~Group I Members employees of the~~
18 City who have elected to participate in the deferred retirement
19 option program under Section 121.209.

20 (37) Beneficiary or Beneficiaries: Are (i) with respect to
21 Group I Members, former active Group I Members who have completed
22 five or more years of credited service as active Members and have
23 either (1) vested their service for deferred retirement (Inactive
24 Beneficiary) or (2) have met time and service requirements for
25 retirement, or are retired as totally and permanently disabled
26 while an active member, or anyone receiving benefits as a surviving
27 spouse or minor child of a member (Active Beneficiary); or (ii)
28 with respect to Group II Members, former active Group II Members
29 who have completed ten or more years of credited service as active
30 Members and have either (1) vested their service for retirement or
31 (2) have met time and service requirements for retirement, or are

1 retired as totally and permanently disabled while an active member,
2 or anyone receiving benefits as a surviving spouse or minor child
3 of a member (Active Beneficiary). In the case of the distribution
4 of DROP benefits for Group I Members, the estate of the Qualified
5 Member or former Qualified Member may also be considered to be a
6 beneficiary in the event that there is no surviving spouse.

7 * * *

8 **Sec. 121.107. Credit for broken service, continuous service,**
9 **partial years transferability, and service as a Florida State**
10 **Certified Police Officer or ~~Fire-Fighter~~Firefighter.**

11 * * *

12 (d) Any active Member of the Police and Fire Pension Fund who is
13 not a retiree and who has not attained vested status under any
14 other governmental retirement system shall be entitled to
15 purchase time service credit for up to five years of full time
16 employment as a Police Officer under the provisions of F.S.
17 Ch. 943, or as a certified ~~Fire-Fighter~~ Firefighter under the
18 provisions of F.S. Ch. 633. Notwithstanding the preceding
19 sentence, any active member of the Police and Fire Pension
20 Fund who is not a retiree and seeks to purchase time service
21 credit as a Police Officer under the provisions of F.S. Ch.
22 943, or as a certified Firefighter under the provisions of
23 F.S. Ch. 633, under this paragraph for service with another
24 government in Duval County, shall be entitled to purchase up
25 to 5 years of such time service credit provided such service
26 has not been used for entitlement for benefits under any other
27 pension system. To be entitled to pension credit, a Member
28 shall make application to the Board at any time prior to
29 retirement. Furthermore, the employee shall pay into the
30 Pension Fund a sum equal to 20 percent of his or her current
31 monthly salary multiplied by the number of months (60 months

1 maximum) for which credit is being sought, on such terms as
2 the Board shall determine.

3 * * *

4 **Sec. 121.113 Calculation of pension contributions for Police**
5 **and Fire Pension Fund.**

6 The Pension Fund created by Laws of Fla. Ch. 18615 (1937), as
7 amended, shall consist of moneys derived as follows:

8 (a) Salary Deductions.

9 (1) Group I Members. A deduction of ~~seven~~ eight percent
10 per annum, plus an additional two percent subject to the conditions
11 described within (i) and (ii) below, from all salaries (base
12 salary, longevity, City college incentive, enhanced certification
13 pay, emergency operation and hazardous duty pay; shift
14 differential, and "upgrade" pay; and excluding all overtime, state
15 incentive pay, reimbursed expenses and allowances such as
16 cleaning/clothes allowances, and payments for unused accrued time),
17 ~~of all members of the Police and Fire Departments participating in~~
18 ~~this fund, or who will become members hereafter~~ Group I Members, to
19 be deducted in installments from each periodical paycheck of each
20 ~~of these members~~ Group I Member., together with a sum equal to not
21 ~~less than the minimum recommended contribution in the most recent~~
22 ~~actuarial valuation of the fund expressed as a percent per annum of~~
23 ~~all salaries (as defined above) of all members of the Police and~~
24 ~~Fire Departments participating in this fund according to the amount~~
25 ~~thereof as set up in the current budget in each year hereafter,~~
26 ~~together with such additional sums as may be necessary to~~
27 ~~administer this fund, which two latter amounts shall be designated~~
28 ~~by the Board and certified to the Council for each fiscal year, and~~
29 ~~the Council shall thereupon place the amount so designated in the~~
30 ~~budget for the succeeding year and levy a tax therefor, if~~
31 ~~necessary; except that the City may in good faith challenge the~~

1 ~~City contribution designated by the Board. In the event of such a~~
2 ~~challenge, the Board's actuary and City's actuary shall agree on an~~
3 ~~impartial third actuary who shall resolve all disputes between the~~
4 ~~actuaries and whose decision shall be binding and final as between~~
5 ~~the Board and the City. The foregoing eight percent deduction shall~~
6 ~~be increased by two percent as follows:~~

7 (i) For Fire Members: On October 1, 2010, fire Members
8 received a general wage reduction of two percent. (See Agreement
9 Between the City of Jacksonville and the International Association
10 of Firefighters Local 122, October 1, 2009 through September 30,
11 2012.) In the first pay period, after the prospective effective
12 date of Ordinance 2014-386-E, which reflects a total general wage
13 increase of at least two percent over the general wages in effect
14 for fire Members as of October 1, 2010 (an increase which fully
15 restores the general wage reduction of October 1, 2010) the fire
16 Member's salary deduction will simultaneously increase to ten
17 percent.

18 (ii) For Police Members: On January 1, 2012, police Members
19 received a general wage reduction of three percent. (See Agreement
20 Between the City of Jacksonville and the Fraternal Order of the
21 Police, October 1, 2011 through September 30, 2014.) In the first
22 pay period, after the prospective effective date of Ordinance 2014-
23 386-E, which reflects a total general wage increase of at least two
24 percent over the general wages in effect for police Members as of
25 January 1, 2012 (an increase which fully restores two percent of
26 the January 1, 2012 three percent general wage reduction) the
27 police Member's salary deduction will simultaneously increase to
28 ten percent.

29 (2) Group II Members. A deduction of ten percent per
30 annum from all salaries (base salary, longevity, City college
31 incentive, enhanced certification pay, emergency operation and

1 hazardous duty pay; shift differential(provided that, the shift pay
2 included in the calculation may not exceed 125 percent of the shift
3 pay earned during the five years prior to the beginning of the
4 130th pay period immediately preceding retirement, adjusted for
5 promotion), and upgrade pay; and excluding all overtime, state
6 incentive pay, reimbursed expenses and allowances such as
7 cleaning/clothes allowances, and payments for unused accrued time),
8 of all Group II Members, to be deducted in installments from each
9 periodical paycheck of each Group II Member. The foregoing ten
10 percent per annum salary deduction shall also apply during the
11 BACKDROP period described in Section 121.211 for all eligible Group
12 II Members who elect the BACKDROP.

13 (b) The City shall contribute a sum equal to an amount not
14 less than the minimum recommended contribution in the most recent
15 actuarial valuation of the fund expressed as a percent per annum of
16 all salaries (as defined above) of all Members of the Police and
17 Fire Departments participating in this fund according to the amount
18 thereof as set up in the current budget in each year hereafter,
19 together with such additional sums as may be necessary to
20 administer this fund, which two latter amounts shall be designated
21 by the Board and certified to the Council for each fiscal year, and
22 the Council shall thereupon place the amount so designated in the
23 budget for the succeeding year and levy a tax therefor, if
24 necessary; except that the City may in good faith challenge the
25 City contribution designated by the Board. In the event of such a
26 challenge, the Board's actuary and City's actuary shall agree on an
27 impartial third actuary who shall resolve all disputes between the
28 actuaries and whose decision shall be binding and final as between
29 the Board and the City.

30 (bc) Notwithstanding the deduction provided in subsection
31 (a)(1) of this Section, a deduction of two percent per annum shall

1 be made from all salaries (as defined in Section 121.113(a)(1)) of
2 Qualified Members in Group I who elect to participate in the
3 deferred retirement option program, with such amount being credited
4 to the Pension Fund's Ordinance 91-1017-605, Base Benefit Fund ~~from~~
5 ~~qualified members who elect to participate in the Deferred~~
6 ~~Retirement Option Program.~~

7 (ed) In addition to the above described pension
8 contributions, the fund shall receive all proceeds from the sale of
9 surplus, lost, abandoned and unclaimed property held by the Office
10 of the Sheriff, 30 percent of fines and court costs from charges of
11 violations heard in County Court and 30 percent of all parking
12 fines.

13 (de) The contributions made by each employee hereunder,
14 effective January 1, 1988, shall be designated as City
15 contributions pursuant to Section 414(h)(2) of the Internal Revenue
16 Code of 1986, as amended. Such designation is contingent upon the
17 contributions being excluded from the employee's gross income for
18 federal income tax purposes. The City's Section 414(h)(2)
19 contributions for each employee, effective January 1, 1988, shall
20 be considered as the employee's accumulated contributions subject
21 to refund under this subsection and to be taxable on return to the
22 employee either in a retirement allowance or upon refund at
23 termination pursuant to Section 72 or 402, IRC, as amended.

24 (ef) The application of the employer pick up provisions of
25 Section 414(h)(2) of the Internal Revenue Code, as described above
26 in 121.113(e) shall also extend to elective contributions made by
27 payroll deduction installment payments for the purpose of securing
28 service credit for prior service or additional service. As used
29 herein, "elective contributions" shall include contributions
30 initiated under conditions wherein, (i) a member is eligible to
31 purchase credit for prior service under 121.107, ~~efor~~ (ii) a former

1 member who received a refund of contributions previously made to
2 the fund who was subsequently rehired and again becomes a member
3 and elects to repurchase such prior broken service under 121.107,
4 or (iii) a member who is eligible to purchase service as a police
5 officer or firefighter within the State of Florida under
6 121.107(d), or (iv) a member who is eligible to purchase additional
7 permissive service credit for wartime military service under
8 121.208. However, direct payments made by the member for elective
9 contributions shall not qualify under the pick-up provisions. In
10 order to qualify for pre-tax treatment under Section 414(h)(2),
11 elective contributions paid via payroll deduction installment
12 payments must be made pursuant to the completion of a binding
13 irrevocable payroll authorization executed by the member. Such
14 employee contributions made through payroll deduction will be
15 picked up and paid by the City with the member having no option of
16 receiving such picked up amounts directly instead of having such
17 amounts contributed to the fund. The payroll deduction
18 authorization will state the number of pay periods during which the
19 deduction(s) will be made, the dollar amount of the deduction(s),
20 and that the plan will not accept direct payments from the member
21 while the payroll deduction is in effect.

22 (fg) For purposes of purchasing time service credits (or
23 "elective contributions" as defined in 121.113(f)), the fund will
24 additionally allow the lump sum amount of such purchases or
25 "elective contributions" to be alternatively made in the form of
26 the acceptance of a direct rollover of an eligible rollover
27 distribution from one or more of the providers of the Deferred
28 Compensation Plan administered by the City under Section 457 of the
29 I.R.C. effective January 1, 2002.

30 Sec. 121.114. Unfunded Actuarial Liability; Mutual
31 Contributions; Florida Premium Tax Dollars.

1 (a) As of the prospective effective date of Ordinance 2014-
2 386-E, the Police and Fire Pension Fund has an unfunded actuarial
3 liability. In order to begin alleviating such liability,
4 contributions shall be made by both the Board of Trustees and the
5 City, with each contribution contingent upon the other's
6 contribution being made.

7 (b) Within 30 days following the prospective effective date of
8 Ordinance 2014-386-E, the Board will apply the entire balances in
9 the Enhanced Benefits Account and the City Budget Stabilization
10 Account to reduce the unfunded actuarial liability of the Plan. As
11 of October 1, 2013, the total balance of both accounts was
12 \$60,915,907.00; however, the amount applied pursuant to this
13 section will be the actual balances of both accounts on the
14 prospective effective date of Ordinance 2014-386-E, but shall not
15 be less than \$60,915,907.00.

16 (c) Beginning with the first fiscal year commencing after the
17 prospective effective date of Ordinance 2014-386-E and ending with
18 the tenth fiscal year or when the fund reaches an 80% funded
19 status, whichever is sooner, the City shall contribute \$40 million
20 annually as an additional unfunded liability payment; provided, the
21 application of the balances in the Enhanced Benefits Account and
22 City Budget Stabilization Account provided in paragraph (b) shall
23 reduce the City's contributions under this paragraph (c).

24 (d) The Florida Premium Tax Dollars (i.e., Chapter 175/185
25 Funds) will be allocated as follows: Beginning with the first
26 fiscal year commencing after the prospective effective date of
27 Ordinance 2014-386-E and ending with the seventh fiscal year, the
28 Board shall annually allocate all Chapter 175/185 Funds, minus the
29 Chapter 175/185 funds used to provide the holiday bonus, at the
30 City's discretion for the benefit of the Plan, including without
31 limitation to fund base benefits, reduce the unfunded actuarial

1 accrued liability, or mitigate the City's annual required
2 contribution to the Plan. (As used herein, "holiday bonus" refers
3 to the annual discretionary Chapter 175/185 Fund bonus payment).

4 (e) (1) The contributions in subsection (c) and (d) shall be
5 contingent upon the other party making the payment noted in each
6 subsection. Should the contribution in subsection (c) or (d) be
7 less than that set forth in subsection (c) or (d), then the other
8 contribution shall be reduced pro rata.

9 (2) In any fiscal year in which the City does not make
10 the contribution set forth in subsection (c), the Board may use the
11 Chapter 175/185 funds to either: (i) pay down the unfunded
12 liability as a contribution above those otherwise required or
13 (ii) fund a share plan as established in Section 121.115 or (iii)
14 pay the holiday bonus. (As used herein, "holiday bonus" refers to
15 the annual discretionary Chapter 175/185 Fund bonus payment
16 identified in City Ordinance 2006-508-E.) The share plan created
17 herein will be governed by the rules and regulation in Section
18 121.115. The share plan will remain unfunded until the
19 requirements outlined in this section have been met.

20 (3) After the seventh fiscal year after the prospective
21 effective date of Ordinance 2014-386-E, the Board may use the
22 Florida Premium Tax Dollars to either: (i) pay down the unfunded
23 liability as a voluntary contribution or (ii) fund a share plan
24 as established in Section 121.115 or (iii) pay the holiday bonus.
25 (As used herein, "holiday bonus" refers to the annual
26 discretionary Chapter 75/185 Fund bonus payment identified in
27 City Ordinance 2006-508-E.)

28 (f) As an alternative to the provisions of subsection (c), the
29 City may, at any time, contribute an additional unfunded liability
30 payment in an amount equal to the then equivalent present value of
31 payments due and owing under subsection (c).

1 **Sec. 121.115. Supplemental Share Plan.**

2 (a) Supplemental share plan retirement benefit. A supplemental
3 share plan retirement benefit ("Share Plan") is hereby created. The
4 Share Plan shall consist of an individual share account for each
5 active police officer or firefighter ("Participant") on or after
6 the prospective effective date of Ordinance 2014-386-E. The sole
7 source of funds for the Share Plan shall be Florida Premium Tax
8 Dollars (i.e., Chapter 175/185 Funds) distributed pursuant to
9 Section 121.114. The Board may deposit into the Share Plan only
10 those monies identified in Section 121.114(e) and only when in
11 conformance with the requirements of Section 121.114(d) and (e).
12 The Share Plan shall remain dormant until such time as the Board
13 makes its first deposit pursuant to Section 121.114(e).

14 (b) Participant Share Plan accounts shall be credited with
15 premium tax revenues and investment earnings or losses, and
16 interest, and distributed as set forth in this Section.

17 (c) Annual crediting. Effective January 1 after the first year
18 in which the Board has made its first contribution to the Share
19 Plan pursuant to Section 121.114(e) and each January 1 thereafter,
20 the Share Plan account of each active Participant on the city's
21 payroll as of the preceding September 30th shall be credited as
22 follows: Each active Participant who was employed on the preceding
23 September 30th shall receive one share for the plan year ending on
24 the same September 30th. The total number of shares thus determined
25 shall be divided into the premium tax revenues received by the
26 Share Plan during that plan year to determine the amount to be
27 credited to the Share Plan account of each eligible Participant.
28 Participants who had less than one year of service on September 30th
29 shall receive prorated shares for each full month of service based
30 on their partial year of service prior to September 30. Chapter
31 175 premium taxes shall be separately distributed to firefighter

1 Participants and Chapter 185 premium taxes shall be separately
2 distributed to police officer Participants.

3 (d) *Investment earnings and losses, or interest.* Effective the
4 first January 1 after the Board makes its first contribution to the
5 Share Plan, and each January 1 thereafter, the Share Account of
6 each active Participant shall be credited or debited with earnings
7 or losses based upon the amount in the Share Account at the close
8 of the immediately preceding calendar year at a rate equal to the
9 pension plan's actual net rate of investment return for the
10 preceding plan year.

11 (e) *Distribution of share accounts.* A Participant with ten
12 (10) or more years of credited service with the City, upon
13 termination of creditable service employment, shall be eligible to
14 receive a distribution of 100 percent of the balance in his or her
15 Share Account, together with all earnings and losses and interest
16 credited to the Share Account through the date of termination of
17 employment. No benefit shall be payable to a Participant who
18 terminates creditable service employment with fewer than ten (10)
19 years of credited service. The Share Account balances of such non-
20 vested terminated Members shall be redistributed among all eligible
21 Participants' Share Accounts in the same manner as premium tax
22 revenues in the following calendar year. The designated beneficiary
23 of a Participant who has died shall receive the accumulated total
24 of their Share Account balance. A Participant awarded a disability
25 pension from the pension plan shall receive the accumulated total
26 of their Share Account balance. Payment of Share Account benefits
27 shall be by lump sum, which shall consist of the accumulated total
28 balance of the active Participant's Share Account, or, at the
29 Participant's direction, the Share Account balance may be rolled
30 over to another qualified plan in accordance with the Internal
31 Revenue Code, with an additional payment made for any amount

1 credited in the year following termination of employment.

2 **Sec. 121.116. Board of Trustees' Investment Authority.**

3 (a) The Board of Trustees is authorized to invest and reinvest
4 the assets of the Pension Fund in any lawful investment as provided
5 in applicable provisions of s.112.661, 175.071, 185.06, 215.47,
6 Florida Statutes, and, is further authorized to invest in
7 alternative investments, alternative investment vehicles and
8 portfolio positions, as those terms are defined in this section.

9 (b) Investments in hedge funds are prohibited.

10 (c) No investment shall be permitted except pursuant to a
11 written investment policy adopted by the Board of Trustees as
12 provided in chapter 112, part VII, Florida Statutes. Prior to the
13 adoption of any change in asset allocation or the introduction of a
14 new asset class, the Board of Trustees shall give 10 days written
15 notice of the meeting at which the proposed change shall be
16 considered to the City Council Finance Committee.

17 (d) For the purposes of this section, the following terms have
18 the following definitions:

19 (1) "Alternative investment" means an investment by the
20 Board of Trustees in a private equity fund which includes all of
21 the private equity sub-strategies, including venture capital,
22 distressed investing, private debt/mezzanine debt, private real
23 assets/natural resources/energy, venture fund, or distress fund or
24 a direct investment in a portfolio company through an investment
25 manager or general partner.

26 (2) "Alternative investment vehicle" means the limited
27 partnership, limited liability company, or similar legal structure
28 or investment manager through which the Board invests in a
29 portfolio company.

30 (3) "Portfolio company" means a corporation or other
31 issuer, any of whose securities are owned by an alternative

1 investment vehicle or the Board of Trustees and any subsidiary of
2 such corporation or other issuer.

3 (4) "Portfolio positions" means individual investments in
4 portfolio companies which are made by the alternative investment
5 vehicles.

6 (5) "Proprietor" means an alternative investment vehicle,
7 a portfolio company in which the alternative investment vehicle is
8 invested.

9 (e) The Board of Trustees is authorized to make the same
10 investments the General Employee Pension Fund or the Correctional
11 Officers Pension Fund are permitted to make.

12 **Sec. 121.117. Executive Director-Administrator.**

13 (a) The selection of any Executive Director-Administrator of
14 the Jacksonville Police and Fire Pension Fund Board of Trustees
15 shall be governed by a professional process subject to Florida law
16 in which the candidate shall be selected by the Board using the
17 City Employee Services Department's search and selection processes,
18 and, if necessary, utilizing the assistance of an executive search
19 firm retained by the Board of Trustees. A salary and benefits
20 survey should be conducted prior to advertising for the position in
21 order to establish a compensation level comparable to funds of
22 similar size and complexity to the Fund. In addition to the
23 requirements of applicable law, candidates will be required to have
24 a minimum of five years of pension administration or institutional
25 investment experience, expertise in the oversight of investment
26 portfolios, and a degree in finance, economics, accounting or a
27 related area of study from an accredited university. Comparable
28 experience administering the activities of a state or local public
29 pension plan will also be considered. Candidates who are CPAs or
30 who have a JD, MBA or CFA degree will be preferred. This section
31 shall not apply to anyone holding the position of Executive

1 Director-Administrator at the time of the enactment of this
2 section.

3 (b) As part of the selection of any future Board of Trustees'
4 Executive Director-Administrator, the aggregate compensation of the
5 Executive Director-Administrator shall be determined in accordance
6 with the market analysis of comparably-sized public pension plans
7 as noted in subsection (a). The City and Board of Trustees shall
8 ensure that any future Executive Director-Administrator and any
9 senior management employee shall be placed in either the City
10 General Employees' Pension Plan or a defined contribution plan with
11 the Board of Trustees' employer contribution subject to the limits
12 of federal law.

13 **Sec. 121.118. Use of General Counsel.** The City's Office of
14 General Counsel (the "OGC") is the proper source for legal
15 representation on routine matters (e.g., open records, public
16 meetings, and other ordinary legal issues) subject to the Charter
17 and Ordinance Code. The Charter and Ordinance Code allow for
18 separate counsel for other purposes.

19 **Section 2. Part 2, Chapter 121 Amended; Section 121.201**
20 **Amended; Sections 121.201A and 121.201B Created; Sections 121.204,**
21 **121.206 and 121.209 Amended; Section 121.211 Created.** Part 2,
22 Chapter 121, *Ordinance Code*, is hereby amended; Section 121.201,
23 *Ordinance Code*, is hereby amended; Sections 121.201A and 121.201B,
24 *Ordinance Code*, are hereby created; Sections 121.204, 121.206 and
25 121.209, *Ordinance Code*, are amended; and Section 121.211,
26 *Ordinance Code*, is hereby created; to read as follows:

27 **Chapter 121. POLICE AND FIREFIGHTERS PENSION PLAN**

28 **PART 2. PENSION BENEFITS**

29 **Sec. 121.201. Retirement benefits.**

30 Notwithstanding any provisions to the contrary in Chapter 18615,
31 Laws of Fla. Ch. 18615 (1937), and to provide for an increase in

1 ~~the benefits thereby provided:~~ retirement benefits shall be as
2 defined and set forth in Section 121.201A and Section 121.201B.

3 ~~(a) Time service retirement. Members shall be entitled to a time~~
4 ~~service retirement benefit equal to a maximum of 80 percent of the~~
5 ~~average salary (as defined in Section 121.113 (a)) received by the~~
6 ~~member for the 52 pay periods immediately preceding the time of~~
7 ~~retirement, upon the completion of 30 years of credited service.~~
8 ~~For each year prior to the thirtieth year of service that a member~~
9 ~~retires, the 80 percent retirement benefit shall be reduced by two~~
10 ~~percent, of the average salary (as defined in Section 121.113 (a))~~
11 ~~received by the member for the 52 pay periods immediately preceding~~
12 ~~the time of retirement, with the minimum normal retirement benefit~~
13 ~~being 60 percent after completion of 20 years of credited service.~~

14 ~~(b) Disability retirement.~~

15 ~~(1) Any member, who prior to reaching the minimum normal retirement~~
16 ~~becomes permanently and totally disabled from useful and efficient~~
17 ~~service as a police officer or firefighter, as established by~~
18 ~~competent medical evidence, shall be entitled to a disability~~
19 ~~retirement. The disability retirement benefit shall be equal to 60~~
20 ~~percent of the average salary received by the member for the 52 pay~~
21 ~~periods immediately preceding the time of disability retirement.~~
22 ~~The Board shall establish the effective date on which the~~
23 ~~disability benefit shall commence. The Board shall, by rule,~~
24 ~~establish procedures for the examination of applicants for~~
25 ~~disability retirement, for the conduct of disability retirement~~
26 ~~hearings, for review of said hearings by a court of competent~~
27 ~~jurisdiction, and reexamination of retirees on disability pension.~~
28 ~~In the event the application for a disability pension is denied by~~
29 ~~the Board, then a new application for the same disability cannot be~~
30 ~~filed by the member within six months of the denial.~~

31 ~~(2) Any member of the pension funds created by these acts who has~~

1 ~~been in the service of the City for a period of time equal to the~~
2 ~~minimum time necessary for time service retirement or more and~~
3 ~~becomes permanently and totally disabled from useful and efficient~~
4 ~~service shall be entitled to the same rate of pension benefit~~
5 ~~calculation of the average salary (as defined in Section 121.113~~
6 ~~(a)) received by the member for the 52 pay periods immediately~~
7 ~~preceding the time of disability retirement as those members of his~~
8 ~~pension plan who retire on time service retirement. Any member who~~
9 ~~elects to retire under a disability pension as provided in this~~
10 ~~Section shall be required to meet the same requirements for a~~
11 ~~disability pension as are required for any other member of the~~
12 ~~respective fund requesting a disability retirement. The Board shall~~
13 ~~establish the effective date on which the disability benefit shall~~
14 ~~commence.~~

15 ~~(3) In applying the provisions of this Section, the adjustment~~
16 ~~supplement described in 121.201 (d)(2) that is calculated for the~~
17 ~~benefit of a member and a surviving spouse shall be based upon the~~
18 ~~actual years of credited service, subject to the minimum and~~
19 ~~maximum provisions, rendered by the member.~~

20 ~~(4) The Board shall establish the effective date on which the~~
21 ~~disability benefit shall commence. The Board shall, by rule,~~
22 ~~establish procedures for the examination of applicants for~~
23 ~~disability retirement, for the conduct of disability retirement~~
24 ~~hearings, for review of said hearings by a court of competent~~
25 ~~jurisdiction, and re-examination of retirees on disability pension.~~
26 ~~In the event the application for a disability pension is denied by~~
27 ~~the Board, a new application for the same disability cannot be~~
28 ~~filed by the member within six months of the denial.~~

29 ~~(c) Vested retirement benefits.~~

30 ~~(1) Members who terminate employment on or after the effective date~~
31 ~~of this Ordinance with five or more years of credited service and~~

1 ~~are not otherwise eligible to retire, are eligible to receive~~
2 ~~either a deferred retirement benefit of three percent of the~~
3 ~~average salary received by the member for the 52 pay periods~~
4 ~~immediately preceding the date of vesting, for each year of~~
5 ~~credited service prior to the date of vesting, to commence on the~~
6 ~~date the member would have been eligible to receive minimum time~~
7 ~~service benefits or be paid a refund of 100 percent of member~~
8 ~~contributions to the Plan without interest. Within 30 days of a~~
9 ~~member leaving the payroll prior to normal service retirement, the~~
10 ~~member must make the election in writing to either vest or the~~
11 ~~refund will be issued automatically. Acceptance of the refund of~~
12 ~~employee contributions constitutes an irrevocable waiver of all~~
13 ~~rights to benefits from the Plan.~~

14 ~~(2) In the event that the Member who is entitled to vested~~
15 ~~retirement benefits becomes deceased prior to the scheduled date~~
16 ~~for the commencement of the payment of retirement benefits, the~~
17 ~~surviving spouse and/or children of such Member shall not be~~
18 ~~entitled to a refund of contributions nor shall they be entitled to~~
19 ~~the payment of survivors benefits otherwise extended to Members who~~
20 ~~completed the required number of years of service to become~~
21 ~~eligible for minimum time service benefits.~~

22 ~~(3) Members who are entitled to receive vested retirement benefits~~
23 ~~are not eligible to qualify for potential enhancements pursuant to~~
24 ~~the minimum monthly pension provisions of section 121.301.~~

25 ~~(d) Cost of Living Adjustments.~~

26 ~~(1) A Cost of Living Adjustment (COLA) based on each prior annual~~
27 ~~benefit amount actually received (exclusive of onetime bonuses or~~
28 ~~adjustments) shall be provided for retirees and survivors.~~
29 ~~Beginning with the first bi-weekly pay period after January 1,~~
30 ~~2007, and for the first bi-weekly pay period after each succeeding~~
31 ~~January 1, the recipient shall be granted a COLA in the amount of~~

1 ~~three (3) percent.~~

2 ~~(2) In addition to the COLA, a minimum adjustment supplement of~~
3 ~~five (5) dollars per month for each year of actual credited service~~
4 ~~of the participant used to compute the pension benefit shall be~~
5 ~~provided for current and future retirees and their survivors, and~~
6 ~~it shall be paid beginning with the first full biweekly pay period~~
7 ~~after October 1, 2003, and continuously thereafter; provided~~
8 ~~however that such supplement shall be no less than twenty-five (25)~~
9 ~~dollars nor more than one hundred and fifty (150) dollars per~~
10 ~~month. The adjustment supplement described herein shall be based~~
11 ~~upon the member's actual years of service rather than imputed years~~
12 ~~of service, which is used for purposes of calculating pension~~
13 ~~benefits under the disability retirement provisions of section~~
14 ~~121.201(b) and the surviving spouse provision of section~~
15 ~~121.204(a), and becomes operative in the event of the disability or~~
16 ~~death of a member, respectively. The Mayor shall annually, each~~
17 ~~January, evaluate the annual cost of the foregoing adjustment~~
18 ~~supplement by comparing it to the City's annual cost to provide~~
19 ~~single employee group health insurance. In the event that the~~
20 ~~City's cost to provide such health insurance per employee is less~~
21 ~~than the amount of such supplement per retiree, then the supplement~~
22 ~~shall be reduced to the amount of the insurance cost.~~

23 ~~(c) Deferred Retirement Option Program (DROP). A member eligible~~
24 ~~to receive normal retirement benefits as provided in Section~~
25 ~~121.201 (a), may remain in the employment of the City until the~~
26 ~~elected termination date by electing to participate in the DROP, as~~
27 ~~provided in Section 121.209, deferring the receipt of such~~
28 ~~retirement benefits for a maximum of 130 full bi-weekly pay periods~~
29 ~~(60 months) from the date of participation in the Deferred~~
30 ~~Retirement Option Program.~~

31 ~~(f) Limitations on benefits. Notwithstanding any benefit granted~~

1 ~~hereunder or under any other provision relating to benefits under~~
2 ~~the Police and Fire Pension Plan, benefit payments for any Member~~
3 ~~shall not exceed the maximum amount permitted under Section 415 of~~
4 ~~the Internal Revenue Code of 1986, as amended.~~

5 ~~(g) Annual Compensation Limit. Section 401(a)(17) of the Internal~~
6 ~~Revenue Code establishes an annual compensation limit for each~~
7 ~~employee under a qualified plan. The provisions of Code Section~~
8 ~~401(a)(17) are further described pursuant to Treasury Regulations~~
9 ~~Section 1.401(a)(17)-1. The Police and Fire Pension Plan~~
10 ~~incorporates by reference the annual compensation limit described~~
11 ~~under Section 401 (a)(17) and Treasury Regulations Section~~
12 ~~1.401(a)(17)-1. Accordingly, the Plan acknowledges that the~~
13 ~~compensation taken into account for any Member of the Plan in~~
14 ~~determining plan allocations or benefit accruals for the plan is~~
15 ~~limited to the annual compensation limit as described in Internal~~
16 ~~Revenue Code Section 401(a)(17) and the Treasury Regulations~~
17 ~~related thereto. The Plan additionally elects to avail itself of~~
18 ~~the transition rule for governmental plans as described in Treasury~~
19 ~~Regulation Section 1.401(a)(17)-1(d)(4)(ii) which provides that~~
20 ~~'eligible participants', as such term is used in the regulations,~~
21 ~~will not be affected by the revised limit per the 1993 OBRA and~~
22 ~~accordingly such 'eligible participants' may have their~~
23 ~~contributions and benefits computed by using compensation of more~~
24 ~~than \$150,000.00 (as adjusted), so long as it does not exceed the~~
25 ~~limit in effect on July 1, 1993. All other plan participants ('non-~~
26 ~~eligible participants') shall be subject to the revised limits for~~
27 ~~plan years beginning after December 31, 1995.~~

28 ~~(h) Requirements that Actuarial Assumptions be specified. Section~~
29 ~~401(a)(25) of the Internal Revenue Code provides that whenever the~~
30 ~~amount of any benefit is to be determined on the basis of actuarial~~
31 ~~assumptions, such assumptions are specified in the plan in a way~~

1 ~~which precludes employer discretion. The provisions of Code~~
2 ~~Section 401(a)(25) and the linkage between the proper use of~~
3 ~~actuarial assumptions and the conclusion that the plan is~~
4 ~~established and maintained primarily to provide systematically for~~
5 ~~the payment of 'definitely determinable benefits' to employees, is~~
6 ~~further described pursuant to Treasury Regulations Section 1.401-~~
7 ~~1(b)(1)(i). The Police and Fire Pension Plan incorporates by~~
8 ~~reference the requirements that actuarial assumptions be specified~~
9 ~~as described under Code Section 401(a)(25) and Treasury Regulations~~
10 ~~Section 1.401-1(b)(1)(i).~~

11 ~~(i) Required distributions. Distributions from the Plan will be~~
12 ~~made in accordance with the requirements of the regulations under~~
13 ~~Internal Revenue Code Section 401(a)(9) and that any provisions in~~
14 ~~the Plan that are contradictory to the distribution requirements~~
15 ~~shall be overridden. In accordance therewith, distributions to~~
16 ~~participants must commence by the later of April 1 of the calendar~~
17 ~~year following the calendar year in which the employee attains the~~
18 ~~age of 70 ½, or April 1 of the calendar year following the calendar~~
19 ~~year in which the employee retires. In addition to meeting the~~
20 ~~minimum distribution amount, the distribution must also meet the~~
21 ~~incidental benefit requirements of Internal Revenue Code Section~~
22 ~~401(a)(9)(g) and Proposed Regulations Sections 1.401(a)(9)-1 and~~
23 ~~1.401(a)(9)-2.~~

24 **Sec. 121.201A Retirement Benefits for Group I Members.**

25 This Section 121.201A applies solely to Group I Members.
26 Nothing herein shall be construed to apply to Group II Members.
27 The following definitions are applicable to Group I Members:

28 (a) Time service retirement.

29 (1) For Members with 10 or more years of service as of the
30 prospective effective date of Ordinance 2014-386-E, those Members
31 shall be entitled to a time service retirement benefit equal to a

1 maximum of 80 percent of the average salary (as defined in Section
2 121.113 (a)(1)) received by the member for the 52 pay periods
3 immediately preceding the time of retirement, upon the completion
4 of 30 years of credited service. For each year prior to the
5 thirtieth year of service that a member retires, the 80 percent
6 retirement benefit shall be reduced by two percent, of the average
7 salary (as defined in Section 121.113 (a)(1)) received by the
8 member for the 52 pay periods immediately preceding the time of
9 retirement, with the minimum normal retirement benefit being 60
10 percent after completion of 20 years of credited service.

11 (2) For Members with fewer than 10 years of service as of the
12 prospective effective date of Ordinance 2014-386-E, those Members
13 shall be entitled to a time service retirement benefit equal to a
14 maximum of 80 percent of the average salary (as defined in Section
15 121.113 (a)(1)) received by the member for the 104 pay periods
16 immediately preceding the time of retirement, upon the completion
17 of 30 years of credited service. For each year prior to the
18 thirtieth year of service that a member retires, the 80 percent
19 retirement benefit shall be reduced by two percent, of the average
20 salary (as defined in Section 121.113 (a)(1)) received by the
21 member for the 104 pay periods immediately preceding the time of
22 retirement, with the minimum normal retirement benefit being 60
23 percent after completion of 20 years of credited service. However,
24 in no event shall the average salary be less than it would have
25 been using the 52 pay periods ending on the prospective effective
26 date of Ordinance 2014-386-E.

27 (b) Disability retirement.

28 (1) A Group I member, who prior to reaching the minimum normal
29 retirement becomes permanently and totally disabled from useful and
30 efficient service as a police officer or firefighter, as
31 established by competent medical evidence, shall be entitled to a

1 disability retirement. The disability retirement benefit for
2 Members with 10 years of service as of the prospective effective
3 date of Ordinance 2014-386-E shall be equal to 60 percent of the
4 average salary received by the Member for the 52 pay periods
5 immediately preceding the time of disability retirement. The
6 disability retirement benefit for Members with fewer than 10 years
7 of service as of the prospective effective date of Ordinance 2014-
8 386-E shall be equal to 60 percent of the average salary received
9 by the member for the 104 pay periods immediately preceding the
10 time of disability retirement. However, in no event shall the
11 average salary be less than it would have been using the 52 pay
12 periods ending on the prospective effective date of Ordinance 2014-
13 386-E. The Board shall establish the effective date on which the
14 disability benefit shall commence. The Board shall, by rule,
15 establish procedures for the examination of applicants for
16 disability retirement, for the conduct of disability retirement
17 hearings, for review of said hearings by a court of competent
18 jurisdiction, and reexamination of retirees on disability pension.
19 In the event the application for a disability pension is denied by
20 the Board, then a new application for the same disability cannot be
21 filed by the member within six months of the denial.

22 (2) For Group I Members with 10 or more years of service as of the
23 prospective effective date of Ordinance 2014-386-E, who have been
24 in the service of the City for a period of time equal to the
25 minimum time necessary for time service retirement or more and
26 become permanently and totally disabled from useful and efficient
27 service shall be entitled to the same rate of pension benefit
28 calculation of the average salary (as defined in Section 121.113
29 (a)(1)) received by the member for the 52 pay periods immediately
30 preceding the time of disability retirement as those Members of his
31 pension plan who retire on time service retirement. For Group I

1 Members with fewer than 10 years of service as of the prospective
2 effective date of Ordinance 2014-386-E, who have been in the
3 service of the City for a period of time equal to the minimum time
4 necessary for time service retirement or more and become
5 permanently and totally disabled from useful and efficient service
6 shall be entitled to the same rate of pension benefit calculation
7 of the average salary (as defined in Section 121.113 (a)(1))
8 received by the member for the 104 pay periods immediately
9 preceding the time of disability retirement as those Members of his
10 pension plan who retire on time service retirement. However, in no
11 event shall the average salary be less than it would have been
12 using the 52 pay periods ending on the prospective effective date
13 of Ordinance 2014-386-E. Any member who elects to retire under a
14 disability pension as provided in this Section shall be required to
15 meet the same requirements for a disability pension as are required
16 for any other member of the respective fund requesting a disability
17 retirement. The Board shall establish the effective date on which
18 the disability benefit shall commence.

19 (3) In applying the provisions of this Section, the adjustment
20 supplement described in 121.201A(d)(2) that is calculated for the
21 benefit of a member and a surviving spouse shall be based upon the
22 actual years of credited service, subject to the minimum and
23 maximum provisions, rendered by the member.

24 (c) Vested retirement benefits.

25 (1) For Group I Members with 10 or more years of service as of the
26 prospective effective date of Ordinance 2014-386-E, who terminate
27 employment on or after the prospective effective date of Ordinance
28 2014-386-E with five or more years of credited service and are not
29 otherwise eligible to retire, are eligible to receive either a
30 deferred retirement benefit of three percent of the average salary
31 received by the member for the 52 pay periods immediately preceding

1 the date of vesting, for each year of credited service prior to the
2 date of vesting, to commence on the date the member would have been
3 eligible to receive minimum time service benefits or be paid a
4 refund of 100 percent of member contributions to the Plan without
5 interest. For Group I Members with fewer than 10 years of service
6 as of the prospective effective date of Ordinance 2014-386-E, who
7 terminate employment on or after the prospective effective date of
8 Ordinance 2014-386-E with five or more years of credited service
9 and are not otherwise eligible to retire, are eligible to receive
10 either a deferred retirement benefit of three percent of the
11 average salary received by the member for the 104 pay periods
12 immediately preceding the date of vesting, for each year of
13 credited service prior to the date of vesting, to commence on the
14 date the member would have been eligible to receive minimum time
15 service benefits or be paid a refund of 100 percent of member
16 contributions to the Plan without interest. However, in no event
17 shall the average salary be less than it would have been using the
18 52 pay periods ending on the prospective effective date of
19 Ordinance 2014-386-E. Within 30 days of a member leaving the
20 payroll prior to normal service retirement, the member must make
21 the election in writing to either vest or the refund will be issued
22 automatically. Acceptance of the refund of employee contributions
23 constitutes an irrevocable waiver of all rights to benefits from
24 the Plan.

25 (2) In the event that the Member who is entitled to vested
26 retirement benefits becomes deceased prior to the scheduled date
27 for the commencement of the payment of retirement benefits, the
28 surviving spouse and/or children of such Member shall not be
29 entitled to a refund of contributions nor shall they be entitled to
30 the payment of survivors benefits otherwise extended to Members who
31 completed the required number of years of service to become

1 eligible for minimum time service benefits.

2 (3) Members who are entitled to receive vested retirement benefits
3 are not eligible to qualify for potential enhancements pursuant to
4 the minimum monthly pension provisions of section 121.301.

5 (d) Cost of Living Adjustments.

6 (1) A Cost of Living Adjustment (COLA) based on each prior annual
7 benefit amount actually received (exclusive of onetime bonuses or
8 adjustments) shall be provided for retirees and survivors. For
9 Members with 20 or more years of credited service as of the
10 prospective effective date of Ordinance 2014-386-E, beginning with
11 the first bi-weekly pay period in the first January after
12 commencement of benefit and in each subsequent first bi-weekly pay
13 period in January, the recipient shall be granted a COLA in the
14 amount of three percent. For Members with fewer than 20 years of
15 credited service as of the prospective effective date of Ordinance
16 2014-386-E, beginning with the first bi-weekly pay period in the
17 first January after commencement of benefit and in each subsequent
18 first bi-weekly pay period in January, the Member shall be granted
19 a COLA equal to three percent applied to the portion of the accrued
20 benefit based on credited service prior to the prospective
21 effective date of Ordinance 2014-386-E, and equal to the Social
22 Security COLA for the same plan year, but not to exceed four
23 percent, applied to the portion of the accrued benefit based on
24 credited service on and after the prospective effective date of
25 Ordinance 2014-386-E.

26 (2) In addition to the COLA, a minimum adjustment supplement of
27 five (5) dollars per month for each year of actual credited service
28 of the Participant used to compute the pension benefit shall be
29 provided for current and future retirees and their survivors, and
30 it shall be paid beginning with the first full biweekly pay period
31 after October 1, 2003, and continuously thereafter; provided

1 however, that such supplement shall be no less than twenty-five
2 (25) dollars nor more than one hundred and fifty (150) dollars per
3 month. The adjustment supplement described herein shall be based
4 upon the member's actual years of service rather than imputed years
5 of service, which is used for purposes of calculating pension
6 benefits under the disability retirement provisions of section
7 121.201A (b) and the surviving spouse provision of section
8 121.204(a)(1), and becomes operative in the event of the disability
9 or death of a member, respectively. The Mayor shall annually, each
10 January, evaluate the annual cost of the foregoing adjustment
11 supplement by comparing it to the City's annual cost to provide
12 single employee group health insurance. In the event that the
13 City's cost to provide such health insurance per employee is less
14 than the amount of such supplement per retiree, then the supplement
15 shall be reduced to the amount of the insurance cost.

16 (e) Deferred Retirement Option Program (DROP). A member eligible
17 to receive normal retirement benefits as provided in Section
18 121.201A (a), may remain in the employment of the City until the
19 elected termination date by electing to participate in the DROP, as
20 provided in Section 121.209, deferring the receipt of such
21 retirement benefits for a maximum of 130 full bi-weekly pay periods
22 (60 months) from the date of participation in the Deferred
23 Retirement Option Program.

24 (f) Limitations on benefits. Notwithstanding any benefit granted
25 hereunder or under any other provision relating to benefits under
26 the Police and Fire Pension Plan, benefit payments for any Member
27 shall not exceed the maximum amount permitted under Section 415 of
28 the Internal Revenue Code of 1986, as amended.

29 (g) Annual Compensation Limit. Section 401(a)(17) of the Internal
30 Revenue Code establishes an annual compensation limit for each
31 employee under a qualified plan. The provisions of Code Section

1 401(a)(17) are further described pursuant to Treasury Regulations
2 Section 1.401(a)(17)-1. The Police and Fire Pension Plan
3 incorporates by reference the annual compensation limit described
4 under Section 401 (a)(17) and Treasury Regulations Section
5 1.401(a)(17)-1. Accordingly, the Plan acknowledges that the
6 compensation taken into account for any Member of the Plan in
7 determining plan allocations or benefit accruals for the plan is
8 limited to the annual compensation limit as described in Internal
9 Revenue Code Section 401(a)(17) and the Treasury Regulations
10 related thereto. The Plan additionally elects to avail itself of
11 the transition rule for governmental plans as described in Treasury
12 Regulation Section 1.401(a)(17)-1(d)(4)(ii) which provides that
13 'eligible participants', as such term is used in the regulations,
14 will not be affected by the revised limit per the 1993 OBRA and
15 accordingly such 'eligible participants' may have their
16 contributions and benefits computed by using compensation of more
17 than \$150,000.00 (as adjusted), so long as it does not exceed the
18 limit in effect on July 1, 1993. All other plan Participants ('non-
19 eligible participants') shall be subject to the revised limits for
20 plan years beginning after December 31, 1995.

21 (h) Requirements that Actuarial Assumptions be specified. Section
22 401(a)(25) of the Internal Revenue Code provides that whenever the
23 amount of any benefit is to be determined on the basis of actuarial
24 assumptions, such assumptions are specified in the plan in a way
25 which precludes employer discretion. The provisions of Code
26 Section 401(a)(25) and the linkage between the proper use of
27 actuarial assumptions and the conclusion that the plan is
28 established and maintained primarily to provide systematically for
29 the payment of 'definitely determinable benefits' to employees, is
30 further described pursuant to Treasury Regulations Section 1.401-
31 1(b)(1)(i). The Police and Fire Pension Plan incorporates by

1 reference the requirements that actuarial assumptions be specified
2 as described under Code Section 401(a)(25) and Treasury Regulations
3 Section 1.401-1(b)(1)(i).

4 (i) Required distributions. Distributions from the Plan will be
5 made in accordance with the requirements of the regulations under
6 Internal Revenue Code Section 401(a)(9) and that any provisions in
7 the Plan that are contradictory to the distribution requirements
8 shall be overridden. In accordance therewith, distributions to
9 Participants must commence by the later of April 1 of the calendar
10 year following the calendar year in which the employee attains the
11 age of 70 ½, or April 1 of the calendar year following the calendar
12 year in which the employee retires. In addition to meeting the
13 minimum distribution amount, the distribution must also meet the
14 incidental benefit requirements of Internal Revenue Code Section
15 401(a)(9)(g) and Proposed Regulations Sections 1.401(a)(9)-1 and
16 1.401(a)(9)-2 if applicable.

17 **Sec. 121.201B Retirement Benefits for Group II Members**

18 This Section 121.201B sets forth the pension benefits that are
19 applicable solely to Group II Members, and the term "Member" as
20 used in this Section means "Group II Member".

21 (a) Time service retirement. Upon reaching 30 years of credited
22 service, Group II Members shall be entitled to a time service
23 retirement with a benefit equal to 2.5 percent of average salary
24 multiplied by the number of years of credited service, but not
25 exceeding a maximum of 75 percent of average salary. The term
26 "average salary" as used in the foregoing sentence means the
27 average "salaries" (as defined in Section 121.113(a)(2)) received
28 by the Group II Member during the 130 bi-weekly pay periods
29 immediately preceding the date of retirement. Notwithstanding the
30 foregoing, the annual retirement benefit shall not exceed
31 \$99,999.99, which amount shall be adjusted January 1 of each year

1 beginning with the first January after the prospective effective
2 date of Ordinance 2014-386-E, by the most recent cost of living
3 adjustment applicable to recipients of Social Security retirement
4 benefits, as determined by the U.S. Social Security Administration
5 each calendar year, but not exceeding 1.5 percent.

6 (b) Disability retirement.

7 (1) A Group II Member who, prior to reaching the minimum normal
8 retirement eligibility of 30 years of credited service, becomes
9 permanently and totally disabled from useful and efficient service
10 as a police officer or firefighter, as established by competent
11 medical evidence, shall be entitled to a disability retirement.
12 The disability retirement benefit shall be equal to 50 percent of
13 the average "salaries" (as defined in Section 121.113(a)(2))
14 received by the Group II Member for the 130 pay periods immediately
15 preceding the time of disability retirement. The Board shall
16 establish the effective date on which the disability benefit shall
17 commence. The Board shall, by rule, establish procedures for the
18 examination of applicants for disability retirement, for the
19 conduct of disability retirement hearings, for review of said
20 hearings by a court of competent jurisdiction, and reexamination of
21 retirees on disability pension. In the event the application for a
22 disability pension is denied by the Board, then a new application
23 for the same disability cannot be filed by the Group II Member
24 within six months of the denial.

25 (2) A Group II Member who has been in the service of the City for a
26 period of time at least equal to the minimum time necessary for
27 time service retirement and who becomes permanently and totally
28 disabled from useful and efficient service, shall be entitled to
29 the same pension calculation as a Group II Member who retires
30 pursuant to a time service retirement as described in Section
31 121.201B(a). Any Group II Member who elects to retire under a

1 disability pension as provided in this Section shall be required to
2 meet the same requirements for a disability pension as are required
3 for any other Member of the Fund requesting a disability
4 retirement.

5 (c) Vested retirement benefits.

6 (1) Group II Members who terminate employment with at least 10 but
7 less than 25 years of credited service are eligible to receive a
8 deferred retirement benefit of 2.0 percent of the average
9 "salaries" (as defined in Section 121.113(a)(2)) received by the
10 member during the 130 pay periods immediately preceding the date of
11 separation, for each year of credited service. The benefit shall
12 commence at age 62. In the alternative, and in lieu of any other
13 benefit from the Fund, a vested member may elect to be paid a
14 refund of 100 percent of member contributions to the Plan without
15 interest. Within 30 days of a member leaving the payroll prior to
16 normal service retirement, the vested member must elect in writing
17 to vest or else the refund will be issued automatically after the
18 end of such 30-day period. Acceptance of the refund of employee
19 contributions constitutes an irrevocable waiver of all rights to
20 benefits from the Plan.

21 (2) In the event that a former Group II Member who separates from
22 service and is entitled to vested retirement benefits dies prior to
23 the scheduled date for the commencement of the payment of
24 retirement benefits, the surviving spouse and/or children of such
25 member shall not be entitled to a refund of contributions nor shall
26 they be entitled to the payment of survivors benefits otherwise
27 extended to Members who complete the required number of years of
28 service to become eligible for minimum time service benefits.

29 (3) Former Group II Members who separate from service and are
30 entitled to receive vested retirement benefits are not eligible to
31 qualify for potential enhancements pursuant to the minimum monthly

pension provisions of Section 121.301.

(4) Group II Members with at least 25 but less than 30 years of credited service shall be eligible for early retirement, provided that for each year or partial year prior to reaching 30 years of credited service, the Group II Member who retires early shall incur a 2.5% accrual rate penalty for any year or part thereof short of 30 years. Notwithstanding this provision, the minimum pension a person taking early retirement under this section will not be less than 52.5% of employee's final average compensation. Early retirement benefits pursuant to this section will be calculated as follows:

<u>Number of Years of Credited Service:</u>	<u>Retirement Benefit as a Percentage of Final Average Salary as defined in 121.113(a)(2):</u>
<u>25, but less than 26</u>	<u>52.50%</u>
<u>26, but less than 27</u>	<u>55.00%</u>
<u>27, but less than 28</u>	<u>60.00%</u>
<u>28, but less than 29</u>	<u>65.00%</u>
<u>29, but less than 30</u>	<u>70.00%</u>

(d) Cost of Living Adjustments. (1) A Cost of Living Adjustment (COLA) based on each prior annual benefit amount actually received (exclusive of one-time bonuses or adjustments) shall be provided for Group II Retirees and their eligible survivors, on the first bi-weekly pay period in each January beginning in the third January following commencement of benefit. Group II Retirees and their eligible survivors shall be granted a COLA in the amount of COLA applicable to recipients of Social Security retirement benefits, as determined by the U.S. Social

1 Security Administration each calendar year, but not exceeding 1.5
2 percent.

3 (2) In addition to the COLA, a minimum adjustment supplement of
4 five (5) dollars per month for each year of actual credited service
5 of the Participant used to compute the pension benefit shall be
6 provided for current and future retirees and their survivors, and
7 it shall be paid beginning with the first full biweekly pay period
8 after October 1, 2003, and continuously thereafter; provided
9 however, that such supplement shall be no less than twenty-five
10 (25) dollars nor more than one hundred and fifty (150) dollars per
11 month. The adjustment supplement described herein shall be based
12 upon the member's actual years of service rather than imputed years
13 of service, which is used for purposes of calculating pension
14 benefits under the disability retirement provisions of section
15 121.201A (b) and the surviving spouse provision of section
16 121.204(a)(1), and becomes operative in the event of the disability
17 or death of a member, respectively. The Mayor shall annually, each
18 January, evaluate the annual cost of the foregoing adjustment
19 supplement by comparing it to the City's annual cost to provide
20 single employee group health insurance. In the event that the
21 City's cost to provide such health insurance per employee is less
22 than the amount of such supplement per retiree, then the supplement
23 shall be reduced to the amount of the insurance cost.

24 (e) Limitations on benefits. Notwithstanding any benefit granted
25 hereunder or under any other provision relating to benefits under
26 the Police and Fire Pension Plan, benefit payments for any Member
27 shall not exceed the maximum amount permitted under Section 415 of
28 the Internal Revenue Code of 1986, as amended.

29 (f) Annual Compensation Limit. Section 401(a)(17) of the Internal
30 Revenue Code establishes an annual compensation limit for each
31 employee under a qualified plan. The provisions of Code Section

1 401(a)(17) are further described pursuant to Treasury Regulations
2 Section 1.401(a)(17)-1. The Police and Fire Pension Plan
3 incorporates by reference the annual compensation limit described
4 under Section 401 (a)(17) and Treasury Regulations Section
5 1.401(a)(17)-1. Accordingly, the Plan acknowledges that the
6 compensation taken into account for any Member of the Plan in
7 determining plan allocations or benefit accruals for the plan is
8 limited to the annual compensation limit as described in Internal
9 Revenue Code Section 401(a)(17) and the Treasury Regulations
10 related thereto. The Plan additionally elects to avail itself of
11 the transition rule for governmental plans as described in Treasury
12 Regulation Section 1.401(a)(17)-1(d)(4)(ii) which provides that
13 'eligible participants', as such term is used in the regulations,
14 will not be affected by the revised limit per the 1993 OBRA and
15 accordingly such 'eligible participants' may have their
16 contributions and benefits computed by using compensation of more
17 than \$150,000.00 (as adjusted), so long as it does not exceed the
18 limit in effect on July 1, 1993. All other plan Participants ('non-
19 eligible participants') shall be subject to the revised limits for
20 plan years beginning after December 31, 1995.

21 (g) Requirements that Actuarial Assumptions be specified. Section
22 401(a)(25) of the Internal Revenue Code provides that whenever the
23 amount of any benefit is to be determined on the basis of actuarial
24 assumptions, such assumptions are specified in the plan in a way
25 which precludes employer discretion. The provisions of Code
26 Section 401(a)(25) and the linkage between the proper use of
27 actuarial assumptions and the conclusion that the plan is
28 established and maintained primarily to provide systematically for
29 the payment of 'definitely determinable benefits' to employees, is
30 further described pursuant to Treasury Regulations Section 1.401-
31 1(b)(1)(i). The Police and Fire Pension Plan incorporates by

1 reference the requirements that actuarial assumptions be specified
2 as described under Code Section 401(a)(25) and Treasury Regulations
3 Section 1.401-1(b)(1)(i).

4 (h) Required distributions. Distributions from the Plan will be
5 made in accordance with the requirements of the regulations under
6 Internal Revenue Code Section 401(a)(9) and any provisions in the
7 Plan that are contradictory to the distribution requirements shall
8 be overridden. In accordance therewith, distributions to
9 Participants must commence by the later of April 1 of the calendar
10 year following the calendar year in which the employee attains the
11 age of 70 ½, or April 1 of the calendar year following the calendar
12 year in which the employee retires. In addition to meeting the
13 minimum distribution amount, the distribution must also meet the
14 incidental benefit requirements of Internal Revenue Code Section
15 401(a)(9)(g) and Proposed Regulations Sections 1.401(a)(9)-1 and
16 1.401(a)(9)-2.

17 * * *

18 **Sec. 121.204 Surviving Spouse Benefits.**

19 Notwithstanding the provisions of Laws of Fla. Ch. 18615
20 (1937), as amended; or Laws of Fla. Ch. 23259 (1945), as amended,
21 and to increase the benefits thereby provided:

22 (a) Benefits under this section for Group I and Group II Members
23 will be as follows:

24 (1) The following shall apply only to Group I Members' spouse
25 benefits: ~~Any~~ Member of the fund hereafter who shall be killed or
26 die from effects of an injury or of any illness or disease and any
27 such Member so killed or dying shall have a spouse living with
28 such Member at time of death, the Board shall direct the payment
29 from the fund of the following sum to the surviving spouse, 75
30 percent of the pension benefit the deceased Member would be
31 entitled to receive, had the Member completed 20 years of credited

1 ~~service (60 percent of the average salary as defined in Section~~
2 ~~121.113(a) received by the member for the 52 pay periods~~
3 ~~immediately preceding the time of death) and survived to receive~~
4 such pension. If a deceased Member served in excess of 20 years,
5 the 75 percent of the pension benefit shall be based upon the
6 actual years of service. In applying the provisions of this
7 Section, the adjustment supplement described in 121.201A(d)(2) that
8 is calculated for the benefit of the surviving spouse of a Group I
9 Member shall be based upon the actual years of credited service,
10 subject to the minimum and maximum provisions, rendered by the
11 member rather than the assumed completion of 20 years of credited
12 service otherwise acknowledged in this Section. The pension benefit
13 as used herein shall be comprised of the base pension benefit as
14 adjusted for the COLA, but exclusive of the adjustment supplement
15 described in 121.201A(d)(2) which shall be 100 percent allocable to
16 the surviving spouse.

17 (2) The following shall apply only to Group II Members' spouse
18 benefits: A Member of the fund hereafter who shall be killed or die
19 from effects of an injury or of any illness or disease and any such
20 Member so killed or dying shall have a spouse living with such
21 Member at time of death, the Board shall direct the payment from
22 the fund of the following sum to the surviving spouse, 75 percent
23 of the pension benefit the deceased Member would be entitled to
24 receive, had the Member completed 30 years of credited service, as
25 defined in 121.201B(c)(4), and survived to receive such pension. If
26 a deceased Member served in excess of 30 years, the 75 percent of
27 the pension benefit shall be based upon the actual years of
28 service. The pension benefit as used herein shall be comprised of
29 the base pension benefit as adjusted for the COLA, but exclusive of
30 the adjustment supplement described in 121.201B(d)(2) which shall
31 be 100 percent allocable to the surviving spouse.

1
2 (b) If any such beneficiary of the fund shall hereafter be killed
3 or die and any such member so killed or dying shall have a spouse
4 living with such beneficiary at time of death, the Board shall
5 direct the payment from the fund of the following sum to the
6 surviving spouse, 75 percent of the pension benefit the beneficiary
7 was receiving. The pension benefit as used herein shall be
8 comprised of the base pension benefit as adjusted for the COLA's
9 previously credited to the record of the former member, but
10 exclusive of the adjustment supplement described in 121.201A(d)(2)
11 for Group I Members and in 121.201B(d)(2) for Group II Members
12 which shall be 100 percent allocable to the surviving spouse.

13 * * *

14 (g) A spouse shall be deemed living with the Member if the Member
15 or spouse is confined to a nursing or hospital facility at the time
16 of the Member's death, provided that the Member was living with the
17 spouse at the time of admission to the nursing or hospital
18 facility.

19 * * *

20 **Sec. 121.206 Children's Benefits.**

21 * * *

22 (b) If there is a surviving spouse, each child's benefit shall be
23 \$200 per month until (i) each child reaches age 18 years, whether
24 or not the child is a qualified student, or (ii) each child reaches
25 age 22, provided the child is a qualified student, or (iii) each
26 child becomes married, whereupon the children's benefits described
27 herein shall cease, provided that the total of the surviving spouse
28 and children's benefits do not exceed the total of the deceased
29 Member's projected benefit. In addition thereto, each child of a
30 surviving spouse of a Group I Member or Group II Member shall be

1 entitled to the receipt of the minimum adjustment supplement
2 provided in Section 121.201A(d)(2) or Section 121.201B(d)(2).

3 (c) If there is no surviving spouse, each child under the age of
4 18 shall receive the greater of either; (a) \$200 per month plus,
5 for each child of a former Group I Member or Group II Member, the
6 minimum adjustment supplement provided in Section 121.201A(d)(2) or
7 121.201B(d)(2), or (b) a proportionate share of the surviving
8 spouse's benefit (including the supplement where applicable) until
9 (i) each child reaches age 18 years, whether or not the child is a
10 qualified student, or (ii) each child becomes married, whereupon
11 the children's benefits described herein shall cease. If there is
12 no surviving spouse, each child who is age 18 or over and who is a
13 qualified student shall be entitled to the payment of a child's
14 benefit of \$200 per month until (i) each child reaches age 22, or
15 (ii) each child becomes married, whereupon the child's benefit
16 described herein shall cease. In the event of multiple children
17 causing the payment of a prorated benefit as each child no longer
18 becomes eligible for the payment of children's benefits the
19 remaining eligible children shall receive the greater of the
20 benefits provided for in this Section up to the limits provided.

21 * * *

22 **Sec. 121.209 Deferred Retirement Option Program (DROP) for**
23 **Group I Members**

24 This Section 121.209 applies only to Group I Members, and the term
25 "Member" as used in this Section means "Group I Member". In
26 general, and subject to the provisions of this Section, the
27 Deferred Retirement Option Program, hereinafter referred to as the
28 DROP, is a program under which an eligible Mmember of the plan, may
29 elect to participate, deferring receipt of normal retirement
30 benefits while continuing employment with the City without loss of
31 any other employee benefits. Upon an eligible Mmember's election to

1 participate in the DROP, the amount of credited service and final
2 average salary becomes frozen for purposes of determining pension
3 benefits. Additional service beyond the date of entry into the DROP
4 shall no longer accrue any additional benefits under the Pension
5 Fund. The deferred monthly retirement benefits under the DROP shall
6 accrue in the fund on behalf of the Participant, plus interest
7 compounded monthly, as provided in subsection (c)(1) of this
8 Section, for the specified period of the DROP participation, as
9 provided in subsection (b)(1) of this Section. Upon termination of
10 employment, the Participant shall receive the total DROP benefits,
11 as provided in Section 121.209(c) and begin to receive the
12 previously determined normal retirement benefits.

13 (a) *Eligibility of member to participate in the DROP.* All Members
14 who are eligible to, may elect participation in the DROP, provided
15 Members comply administratively with the rules and regulations
16 established by the board for the administration of the DROP.

17 (1) A member who is eligible to receive normal retirement benefits
18 under Section 121.201A(a) may participate in the DROP providing the
19 member elects to participate within the time limits contained in
20 Section 121.209(b)(1).

21 * * *

22 (b) *Participation in the DROP.*

23 * * *

24 (2) Upon participation in the DROP, the member shall be deemed a
25 "qualified member" as defined in Section 121.102(e)(6~~2~~).

26 * * *

27 (c) *Benefits payable under the DROP.*

28 (1) Effective with the date of DROP participation, the Mmember's
29 initial normal retirement benefit, including creditable service and
30 average compensation, as provided in Section 121.201A(a) and the
31 effective date of retirement shall be fixed. Such normal retirement

1 benefits, together with annual cost of living adjustments as
2 provided in Section 121.201A(d), and interest, shall accrue monthly
3 in the fund for the benefit of the DROP Participant. For Members
4 with 20 or more years of creditable service, as of the prospective
5 effective date of Ordinance 2014-386-E, sSuch interest shall
6 produce an annual rate of return of 8.40 percent. For Members with
7 less than 20 years of creditable service, as of the prospective
8 effective date of Ordinance 2014-386-E, such interest shall accrue
9 based on the actual net rate of return after the deduction of all
10 related and direct expenses for the preceding year rate of return;
11 provided however, that the minimum interest shall be 0.0 percent
12 and the maximum interest shall be 10.00 percent. Interest
13 calculations shall be administered in accordance with rules
14 prescribed by the board and interest distributions shall be
15 credited using the 30-day month/360-day year method of calculation.

16 * * *

17 (3) At the conclusion of the Participant's DROP and termination of
18 employment with the City, the Board shall distribute the
19 Participant's total accumulated DROP benefits, as soon as
20 administratively practical, subject to the following provisions:

21 (i) The board shall receive written verification by the
22 Participant's employer that such Participant has terminated
23 employment as provided in subsection (b)(4)(ii) of this Section.

24 (ii) The terminated DROP Participant or if deceased, such
25 Participant's surviving spouse or representative, shall elect on
26 forms provided by the Board to receive payment of the DROP benefits
27 in accordance with one of the options listed below. For a DROP
28 Participant who fails to elect a method of payment within 30 days
29 of termination of the DROP, the Board will pay a lump sum as
30 provided in subsection (a), below, as soon as administratively
31 practical. For a surviving spouse of a current or former DROP

1 Participant who fails to elect a method of payment within 90 days
2 of the date of death of the current or former DROP Participant, the
3 Board will pay a lump sum as provided in subsection a., below, as
4 soon as administratively practical.

5 * * *

6 d. Monthly distribution. The account balance shall be distributed
7 in a monthly amount paid biweekly of substantially equal amounts,
8 until the DROP account is depleted, over a stipulated number of bi-
9 weekly periods to be selected by the Participant or the surviving
10 spouse, less withholding taxes remitted to the Internal Revenue
11 Service. Such selection once made, cannot be changed, unless
12 changed to Option (a) or (b), above. The annual rate of interest to
13 be factored into such distribution period shall be based on the
14 actual rate of return; provided however, that the minimum interest
15 shall be 0.0 percent and the maximum interest shall be 10.008-4
16 percent for Members with less than 20 years of service as of the
17 prospective effective date of Ordinance 2014-386-E. For Members
18 with 20 or more years of service as of the prospective effective
19 date of Ordinance 2014-386-E, the annual rate of interest to be
20 factored into such distribution period shall be 8.4 percent.

21 Notwithstanding the foregoing, in the event that the Participant
22 selected a payout period over the Participant's life expectancy or
23 over the joint life expectancies of the Participant and the
24 Participant's spouse in order to avoid the application of the ten
25 percent additional tax on early distributions reflected in Section
26 72(t) of the Internal Revenue Code, such Participant may shorten
27 the number of biweekly payout periods originally selected by the
28 Participant, provided that the timing of such modification conforms
29 to the standards described in Section 72(t)(4) of the Internal
30 Revenue Code.

31 * * *

1 (5) DROP Participants shall not be eligible for the disability
2 retirement benefits provided in Section 121.201A(b) of this
3 Chapter.

4 * * *

5 (e) Cost of living adjustment. On the first full biweekly pay
6 period after April 1, 2000 or as soon as administratively practical
7 thereafter, and for the first full biweekly pay period after each
8 succeeding April 1st, the deferred retirement benefit may be
9 increased, under the provisions of Section 121.201A(d)(1), if
10 applicable.

11 (f) Health insurance subsidy. DROP Participants are not eligible
12 for the health insurance subsidy as provided in Section
13 121.201A(d)(2) of this Chapter until termination of employment is
14 effectuated.

15 * * *

16 (i) *Contributions and deductions.*

17 (1) The employer contributions on the salary, as defined in Section
18 121.113(a)(1) of DROP Participants shall be zero percent.

19 (2) A deduction of two percent per annum shall be made from all
20 salaries (as defined in Section 121.113(a)(1)) of DROP Participants
21 as the contribution from the Participant during the period of DROP
22 participation, with such amount being credited to the Base Benefits
23 Fund.

24 * * *

25 **Sec. 121.211 BACKDROP for Group II Members.**

26 (a) There is hereby created a BACKDROP retirement option (the
27 "BACKDROP") to the Retirement Plan, which shall allow any Group II
28 Member who has 30 or more years of credited service, to elect to
29 enter the BACKDROP plan. By electing to participate in the
30 BACKDROP, that Member's retirement benefits are calculated as if
31 the member had actually retired at an earlier date, provided

1 however the BACKDROP period shall not exceed five years.

2 (b) (1) An eligible Group II Member may elect to participate in
3 the BACKDROP by submitting the following to the Fund:

4 (i) One copy of a signed and submitted letter of resignation dated
5 effective as of the date of election to participate in the
6 BACKDROP.

7 (ii) A properly completed BACKDROP application on forms provided by
8 the Fund, which, once submitted, shall be irrevocable by the
9 member.

10 (iii) Subject to Section 121.211(d), the selection of the dates
11 that begin and end the period of participation in the BACKDROP (the
12 "BACKDROP Period"). The BACKDROP period shall not exceed five
13 years.

14 (iv) An agreement to replace the retirement benefits otherwise
15 applicable with BACKDROP benefits and a reduced time service
16 benefit calculated as of the beginning of the BACKDROP Period as if
17 the BACKDROP Participant had retired as of that date, but payable
18 starting as of actual retirement at the end of the BACKDROP Period.

19 (v) Any other documents or information as may be reasonably
20 required by the Fund.

21 (2) For purposes of this Section, each eligible member who elects
22 to participate in the BACKDROP and satisfies all of the
23 requirements of this Section shall be referred to as a "BACKDROP
24 Participant".

25 (c) A BACKDROP Participant must resign and retire from the City as
26 of the date of election to participate in the BACKDROP. No
27 benefits shall be paid under this Section unless and until the
28 BACKDROP Participant has resigned and retired from the City.

29 (d) (1) Provided the BACKDROP Participant has satisfied all
30 requirements set forth in this Section, the BACKDROP Participant
31 shall be entitled to receive a BACKDROP amount equal to:

(i) The time service retirement benefits pursuant to Section 121.201B the BACKDROP Participant Member would have received had the BACKDROP Participant actually retired at the commencement of the BACKDROP Period, and

(ii) Interest on benefits credited pursuant to Section 121.211(a). The amount of interest to be credited shall be determined pursuant to Section 121.211(e).

(2) Upon retirement, the BACKDROP Participant thereafter shall be eligible to receive a reduced time service benefit determined as of the beginning of the BACKDROP period, as defined in Section 121.211(b)(1)(iii). Should the Member elect to use any year or partial year of service which occurred prior to reaching 30 years of credited service in their BACKDROP period, the retirement benefit otherwise calculated for those years will be reduced by two percent of average salary as defined in Section 121.113(a)(2). The reduced time service benefit will be calculated as follows:

<u>Number of years of Credited Service at Commencement of BACKDROP:</u>	<u>Retirement Benefit as a of Percentage of Average Salary as defined in Sec. 121.113(a)(2):</u>
25 but less than 26	52.50%
26 but less than 27	57.00%
27 but less than 28	61.50%
28 but less than 29	66.00%
29 but less than 30	70.50%

(e) Interest shall be credited starting from the hypothetical date the payment would have been made had the BACKDROP Participant retired as of the beginning of the BACKDROP period to the end of

1 the BACKDROP period at an annual rate of return, compounded
2 annually, equivalent to the actual rate of return on the Fund
3 assets during the BACKDROP period, provided that such rate of
4 return shall not be less than zero nor more than ten percent.

5 (f) A BACKDROP Participant shall not be entitled to receive any
6 cost-of-living increase during the BACKDROP Period. The waiting
7 period to receive cost-of-living increases, as set forth in Section
8 121.201B(d), shall commence upon retirement.

9 (g) Provided the BACKDROP Participant has satisfied all
10 requirements set forth in this Section, within 30 days from the
11 date of expiration of the BACKDROP Period or as soon as practical
12 thereafter, the Retirement Plan shall disburse the amount of the
13 BACKDROP Participant's BACKDROP benefits to the BACKDROP
14 Participant.

15 (h) All disbursements made pursuant to Section 121.211(g) shall be
16 made subject to and in accordance with all applicable provisions of
17 the Internal Revenue Code.

18
19 **Section 3. Part 5, Chapter 121 Created.** Part 5, Financial
20 Investment and Advisory Committee, Chapter 121, *Ordinance Code*, is
21 hereby created to read as follows:

22 **Chapter 121. POLICE AND FIREFIGHTERS PENSION PLAN**

23 * * *

24 **PART 5. FINANCIAL INVESTMENT AND ADVISORY COMMITTEE**

25
26 **Sec. 121.501. Financial Investment and Advisory Committee**
27 **Created.** There is hereby created a Jacksonville Police and Fire
28 Pension Fund Board of Trustees Financial Investment and Advisory
29 Committee of five persons.

30 **Sec. 121.502. General Responsibilities and Duties of**
31 **Financial Investment and Advisory Committee.** The Financial

1 Investment and Advisory Committee shall have the responsibility and
2 duty to provide advisory oversight and advice to the Jacksonville
3 Police and Fire Pension Board of Trustees ("Board") on: (1)
4 financial matters; (2) actuarial practices and assumptions; (3)
5 investment strategy and policy; (4) the selection of outside
6 financial services providers, including investment managers and
7 advisors; and (5) such other matters as requested by the Board.

8 **Sec. 121.503. Financial Investment and Advisory Committee;**
9 **Membership, Appointment and Terms.**

10 (a) Financial Investment and Advisory Committee members shall be
11 financially sophisticated professionals with expertise in any or
12 all of the following competencies: actuarial science, fiscal
13 operations, or investment practices. Criteria for service will
14 include knowledge, of and experience and familiarity with,
15 portfolio and/or pension fund management, institutional investment
16 and fiduciary responsibilities.

17 (b) Members of the Financial Investment and Advisory Committee
18 must be residents of Duval, Nassau, St. Johns, Baker or Clay
19 County, Florida. Each member will be nominated by the Board and
20 confirmed by the City Council to serve in a voluntary capacity.

21 (c) The term of office shall be three years. No person shall
22 serve more than three consecutive terms. Of the five persons
23 selected to serve on the initial Committee two members shall serve
24 initial terms of two years. In its confirmation of the Committee
25 Member nominee, the City Council shall designate whether the
26 initial term is for two or for three years.

27 **Sec.121.504. Financial Investment and Advisory Committee;**
28 **Relationship with Police and Fire Pension Fund Board of Trustees.**

29 (a) With regard to general strategy matters such as actuarial
30 practices and assumptions, asset allocation, accounting
31 determinations, risk management, actuarial assumptions, the

1 Financial Investment Advisory Committee may at any time provide
2 advice and recommendations to the Board, which shall receive and
3 act upon such advice and recommendations as the Board, in its
4 fiduciary capacity, shall determine.

5 (b) With regard to the selection (or deselection) of individual
6 investment managers, the Board of Trustees shall not select any
7 investment manager without first obtaining the advice and
8 recommendation of the Financial Investment and Advisory Committee
9 which, with the assistance of the professional staff of the Board,
10 shall review any and all potential asset/investment managers. In
11 selecting (or deselecting) the Board will then make its decision(s)
12 taking into account Financial Investment and Advisory Committee
13 recommendations as well as other information available to the
14 Board.

15 (c) With regard to the selection (or deselection) of other
16 professionals or professional services, including, but not limited
17 to, actuaries, the Financial Investment and Advisory Committee
18 shall furnish advice and recommendations to the Board as requested
19 by the Board, following such processes as may be determined with
20 respect to the particular selection (or deselection).

21 **Sec. 121.505. Financial Investment and Advisory Committee;**
22 **Fiduciary Responsibilities; Improper Business Relationships.**

23 (a) Financial Investment and Advisory Committee members shall be
24 deemed to be fiduciaries of the Police and Fire Pension Fund. Each
25 member individually and the Financial Investment and Advisory
26 Committee as a whole shall be required to undergo periodically any
27 and all fiduciary and ethical training required by the Board or by
28 ordinance.

29 (b) Financial Investment and Advisory Committee members shall
30 comply with all requirements of state law with regard to annual
31 public conflict disclosure statements required by members of other

1 public agencies and boards.

2 (c) (1) No business organization or affiliate thereof that is owned
3 or controlled by, or employs, a member of the Financial Advisory
4 and Investment Committee or a spouse, child or sibling of a member
5 of the Financial Investment and Advisory Committee shall directly
6 or indirectly contract with or provide services for the investment
7 of Police and Fire Pension Fund assets during the time of such
8 member's service on the Financial Investment and Advisory Committee
9 or for two (2) years thereafter.

10 (2) The Board may waive the prohibition in Subsection (c)(1) if,
11 (a) such potential conflict is fully disclosed to the Board as well
12 as the Financial Investment and Advisory Committee, and (b) only
13 after the Financial Investment and Advisory Committee members who
14 have no apparent conflict in the matter unanimously recommend
15 waiver of the prohibition upon a finding that (i) the Police and
16 Fire Pension Fund will not be adversely impacted by such contract
17 or services; and (ii) that the allowance of such contract or
18 services together with service by the Financial Investment and
19 Advisory Committee member is in the best interest of the Police and
20 Fire Pension Fund. The waiver by the Board must be by unanimous
21 vote and must contain a finding that (i) the Police and Fire
22 Pension Fund will not be adversely impacted by such contract or
23 services; and (ii) that the allowance of such contract or services
24 together with service by the Financial Investment and Advisory
25 Committee member is in the best interest of the Police and Fire
26 Pension Fund.

27 **Sec. 121.506. Financial Investment and Advisory Committee;**
28 **Miscellaneous Provisions.**

29 (a) The Financial Investment and Advisory Committee shall annually
30 elect a chair and secretary from its members.

31 (b) The Board shall provide administrative support to the Financial

1 Investment and Advisory Committee.

2 **Section 4. Part 6, Chapter 121 Created.** Part 6, Ethics,
3 Fiduciary Responsibilities and Best Practices, Chapter 121,
4 *Ordinance Code*, is hereby created to read as follows:

5 **Chapter 121. POLICE AND FIREFIGHTERS PENSION PLAN**

6 * * *

7 **PART 6. ETHICS, FIDUCIARY RESPONSIBILITIES AND BEST PRACTICES**

8
9 **Sec. 121.601. Police and Fire Pension Fund Board of Trustees**
10 **and Executive Director; Fiduciary Responsibilities; Improper**
11 **Business Relationships.**

12 (a) Police and Fire Pension Fund Board of Trustees members shall be
13 deemed to be fiduciaries of the Police and Fire Pension Fund. Each
14 member individually and the Board of Trustees as a whole shall be
15 required to undergo periodically any and all fiduciary and ethical
16 training required by the Board or by ordinance.

17 (b) Board of Trustee members shall comply with all requirements of
18 state law with regard to annual public conflict disclosure
19 statements required by members of other public agencies and boards.

20 (c) (1) No business organization or affiliate thereof that is owned
21 or controlled by, or employs, a member of the Board of Trustees or
22 a spouse, child or sibling of a member of the Board of Trustees
23 shall directly or indirectly contract with or provide services for
24 the investment of Police and Fire Pension Fund assets during the
25 time of such member's service on the Financial Investment and
26 Advisory Committee or for two (2) years thereafter.

27 (2) The Board may waive the prohibition in Subsection (c)(1) if,
28 (a) such potential conflict is fully disclosed to the Board and (b)
29 the Board, by unanimous vote, finds that (i) the Police and Fire
30 Pension Fund will not be adversely impacted by such contract or
31 services; and (ii) that the allowance of such contract or services

1 together with service by the Board of Trustees member is in the
2 best interest of the Police and Fire Pension Fund.

3 (d) The provisions of F.S. Ch. 112, Part III, including §§ 112.311–
4 112.3175 relating to financial disclosure, shall apply to all Board
5 members and the Executive Director-Administrator. All Board members
6 and the Executive Director shall be required to file the limited
7 financial disclosure form (Form 1) as required by F.S.
8 §112.3145(1)(a)(2)(e) and §112.3145 (1)(a)3.

9 **Sec. 121.602. Actuarial Assumptions.** The assumed annual
10 actuarial rate of return Jacksonville Police and Fire Pension Fund
11 at the date of the adoption of this section shall be 7.0%. This
12 rate shall be modified only as required by law or upon agreement by
13 the Mayor and City Council and the Police and Fire Pension Fund
14 Board of Trustees, based on sound actuarial practices.

15 **Sec. 121.603. Actuarial and investment reports.**
16 (a) The Police and Fire Pension Fund Board of Trustees shall have
17 the duty to have an annual actuarial valuation of the Police and
18 Fire Pension Fund performed by the Board of Trustee's actuary.
19 This valuation shall be performed as of October 1 of each year. The
20 annual actuarial valuations shall be completed and delivered as
21 expeditiously as possible to the Board, the Financial Investment
22 and Advisory Committee, the City's Director of Finance and to the
23 City Council Auditor promptly upon completion but, in any event,
24 the Board of Trustees shall have the valuation analyses and reports
25 completed and delivered no later than 120 days after October 1. The
26 120-day deadline set forth herein is conditioned upon the City
27 promptly responding to reasonable requests made by the Board of
28 Trustees to the City for information necessary for the preparation
29 of such valuations.

30 (b) In addition to following all professional standards and
31 requirements for actuarial analysis and reporting, the Board of

1 Trustees will utilize the following approaches and assumptions:

2 (1) Annual actuarially required contributions
3 calculations based on most recent actuarial assumptions;

4 (2) Alternative funding scenarios based on variable
5 investment performance in addition to the base case, that extend to
6 future years and incorporate volatility;

7 (3) The latest "experience studies" prepared by the
8 Board's actuary;

9 (4) Consistency in actuarial methods;

10 (5) Accrual method: Entry Age Normal (EAN);

11 (6) Annual normal cost disclosure, using a separate
12 annual normal cost disclosure for each pension group as those
13 groups are defined in Part 2, Chapter 121, Ordinance Code; and

14 (7) Unfunded liabilities will be amortized as separate
15 annual bases over closed 30-year periods or less, unless otherwise
16 required by law.

17 (c) The actuarial practices will be consistent from year to year
18 unless changed through an "experience study" or decision of the
19 Board, with advice from the Financial Investment and Advisory
20 Committee, or unless necessary for compliance with applicable laws
21 or regulations.

22 (d) The Board of Trustees must distribute to City's Chief Financial
23 Officer and City Council Auditor the Police and Fire Pension Fund's
24 quarterly investment return reports. These reports must, at a
25 minimum, show gross gain/loss results as well as gain/loss results
26 net of investment fees. These quarterly reports must also include
27 comparisons to (1) assumption and benchmarks of the Police and Fire
28 Pension Fund and (2) results of comparable pension funds.

29 **Sec. 121.604. Annual Financial Statements.**

30 (a) On or before January 31 of each year, commencing with the first
31 January following the prospective effective date of Ordinance 2014-

1 386-E, the Board of Trustees shall prepare annual financial
2 statements for the fiscal year ending the previous September 30 and
3 submit such annual financial statements electronically or as
4 otherwise agreed to the Mayor, City Council President, City
5 Director of Finance, City Council Auditor, and the Treasurer of the
6 Board; and, on or before March 15 of each year, to the Florida
7 Department of Management Services (the "Department") in format(s)
8 prescribed by the Department.

9 (b) The annual financial statements shall be in compliance with the
10 requirements of the Government Accounting and Standard Board's
11 Statement No. 67, Financial Reporting for Pension Plans and
12 Statement No. 68, Accounting and Financial Reporting for Pensions,
13 using the mortality tables and generational projections by gender
14 most recently available from qualified actuarial sources. If yet
15 unaccepted updates also are available that suggest longevity
16 improvements beyond accepted tables, then such updates shall be
17 used in lieu of accepted tables so long as such usage remains
18 acceptable within GASB requirements and is permitted by applicable
19 law.

20 (c) The annual financial statements shall report funding status,
21 contribution rates and expected normal cost of new benefits earned
22 using both the current assumed rate of return on investments and
23 the greater of 5.4% or an assumed discount rate that is 200 basis
24 points less than the Fund's assumed rate of return.

25 (d) The annual financial statements shall provide information
26 indicating the projected assets, liabilities and actuarially
27 required contributions to the Fund over the following 30 years
28 based on the Fund's latest valuations and actuarial assumptions.

29 **Sec. 121.605. Public Information.** The Board of Trustees
30 shall publish on its website on a timely basis:

31 (a) all financial and actuarial studies and reports created

1 pursuant to this Chapter or other law;

2 (b) minutes of its meetings for the past 3 years on a rolling
3 basis; and

4 (c) copies of all reports or studies commissioned by the Board of
5 Trustees, including, but not limited to, experience studies and
6 investment performance reports.

7 **Sec. 121.606. Ethics, Certification and Disclosure**
8 **Requirements for Investment Managers and Advisors.**

9 (a) Any investment manager or advisor of the Police and Fire
10 Pension Fund who has discretionary authority for any investment of
11 the fund shall agree to certify, annually, to the Financial
12 Investment and Advisory Committee and to the Board of Trustees, no
13 later than the January 31 following the previous calendar year,
14 that:

15 (1) The investment manager or advisor acknowledges that the
16 manager or advisor serves as a fiduciary to the Police and Fire
17 Pension Fund and agrees to be bound by all responsibilities of a
18 fiduciary;

19 (2) All investment decisions made by the investment manager or
20 advisor on behalf of the Police and Fire Pension Fund are made in
21 the best interests of the Fund and not made in a manner to the
22 advantage of such investment adviser or manager, other persons, or
23 clients to the detriment of the Fund;

24 (3) Appropriate policies, procedures, or other safeguards
25 have been adopted and implemented by such manager or advisor to
26 ensure that relationships with any affiliated persons or entities
27 do not adversely influence the investment decisions made on behalf
28 of the Police and Fire Pension Fund;

29 (4) The investment manager or advisor is not the subject of a
30 claim or litigation brought by a present or former client or by a
31 regulatory agency asserting that such investment manager or advisor

1 has breached its fiduciary responsibilities, or, if such be the
2 case, the investment manager or advisor shall disclose the
3 particulars of each such claim or litigation;

4 (5) A written code of ethics, conduct, or other set of
5 standards, as submitted by the investment manager or advisor to the
6 Financial Investment and Advisory Committee and the Board of
7 Trustees and accepted by both the Financial Investment and
8 Advisory Committee and the Board of Trustees, (i) governs the
9 professional behavior and expectations of owners, general partners,
10 directors or managers, officers, and employees of the investment
11 adviser or manager; (ii) has been adopted and implemented; and
12 (iii) is effectively monitored and enforced; and

13 (6) Policies of the Board concerning prohibited business
14 relationships among family members and other related parties have
15 been complied with.

16 (b) Any investment manager or advisor of the Police and Fire
17 Pension Fund who has discretionary authority for any investment of
18 the Police and Fire Pension Fund shall agree to disclose annually
19 to the Financial Investment and Advisory Committee and to the
20 Board, no later than the January 31 following the previous calendar
21 year:

22 (1) Any known circumstances or situations that a prudent
23 person could expect to create an actual or potential conflict of
24 interest, including specifically (i) any material interests in or
25 with financial institutions with which officers and employees
26 conduct business on behalf of the Police and Fire Pension Fund, and
27 (ii) any personal financial or investment positions of the
28 investment manager or advisor that could be related to the
29 performance of an investment program of the Police and Fire Pension
30 Fund over which the investment advisor or manager has discretionary
31 investment authority on behalf of the Police and Fire Pension Fund;

1 and

2 (2) All direct or indirect pecuniary interests that the
3 investment manager or advisor has in or with any party to a
4 transaction with the Police and Fire Pension Fund if the
5 transaction is related to any discretionary investment authority
6 that the investment manager or advisor exercises on behalf of the
7 Police and Fire Pension Fund.

8 **Section 5. Article 22 of the Charter Amended.** As authorized
9 by Sections 175.061 and 185.05 Florida Statutes and the Charter of
10 the City of Jacksonville, Section 22.02 of the Charter of the City
11 of Jacksonville is amended to read as follows:

12 **ARTICLE 22. JACKSONVILLE POLICE AND FIRE PENSION BOARD OF**
13 **TRUSTEES.**

14 * * *

15 **Sec. 22.02. - Membership.**

16 (a) The membership of the Jacksonville Police and Fire Pension
17 Board of Trustees shall consist of five members, of whom two shall
18 be legal residents of the City of Jacksonville appointed by the
19 city council; one shall be a police officer elected by a majority
20 vote of the police officers who are members of the pension fund,
21 and one shall be a firefighter elected by a majority of the
22 firefighters who are members of the pension fund, and the last
23 shall be chosen by a majority of the previous four members. The
24 fifth member's name shall be submitted to the City Council, which
25 shall, as a ministerial act, appoint such person as the fifth
26 member of the board. Effective for all new appointments after July
27 1, 2005, each resident member shall serve as a trustee for a period
28 of 4 years, unless sooner replaced by the City Council at whose
29 pleasure he or she shall serve, and may succeed himself or herself
30 as a trustee. Effective for all elections after July 1, 2005, the
31 police officer and firefighter members shall serve as trustees for

1 a period of 4 years, unless they shall sooner leave the employment
2 of the city as a police officer or firefighter, whereupon the class
3 of employees whose elected representative has left office shall
4 elect a successor to fill the unexpired term of office as provided
5 for in this section. Each employee member may succeed himself or
6 herself in office. Members shall continue to serve until their
7 respective successors are appointed, elected, or selected. Trustees
8 chosen and appointed by the City Council, as well as any persons
9 selected as the fifth member of the Trustees by the other four
10 trustees, shall continue to be persons with professional financial
11 experience and/or public pension experience, governance experience,
12 institutional investment experience, community experience and
13 wisdom, or comparable professional training, knowledge, and
14 expertise. Trustees chosen and appointed by the City Council shall
15 not be a participant or be enrolled in a City of Jacksonville
16 pension, shall be limited to a maximum of two four year terms, and
17 shall have at least 10 years of professional financial experience.

18 * * *

19 **Section 6. Ratification Disclaimer.** Notwithstanding any
20 references to the "Thirty Year Agreement" contained herein or in
21 the Agreement attached hereto as **Fourth Revised Exhibit 1**, labeled
22 as "Fourth Revised Exhibit 1, Fourth Rev Agmt, December 9, 2014 -
23 Floor", nothing herein or in **Fourth Revised Exhibit 1** shall be
24 construed as ratification or approval of said "Thirty Year
25 Agreement." This Agreement supersedes and replaces all previous
26 agreements.

27 **Section 7. Approval of 2014 Retirement Reform Agreement;**
28 **Authorization to Execute and Implement.**

29 There is hereby approved and the Mayor, or his designee, and the
30 Corporation Secretary are authorized to execute and deliver, for
31 and on behalf of the City, the 2014 Retirement Reform Agreement in

1 the form attached as **Fourth Revised Exhibit 1**, labeled as "Fourth
2 Revised Exhibit 1, Fourth Rev Agmt, December 9, 2014 - Floor", and
3 take, or cause to be taken, for and on behalf of the City, such
4 further action as is necessary to effectuate the purpose of this
5 Ordinance. The Agreement as set forth in **Fourth Revised Exhibit 1**,
6 labeled as "Fourth Revised Exhibit 1, Fourth Rev Agmt, December 9,
7 2014 - Floor" herein replaces and supersedes the terms of the
8 existing Police and Fire Pension Plan. It is intended that there
9 be no lapse either in time or effect between this plan and such
10 superseded plans.

11 **Section 8. Actuarial Impact Statement.** The actuarial impact
12 statement required by Section 112.63(3), Florida Statutes, as a
13 condition to any proposed change in retirement benefits, is
14 **attached as Exhibit 2.**

15 **Section 9. Interpretation.** Any Ordinance or part of any
16 Ordinance in conflict with the provisions hereof is repealed to the
17 extent of the conflict. Should any part of this Ordinance be held
18 invalid by a court of competent jurisdiction, the remainder of this
19 Ordinance shall continue in full force and effect and it shall be
20 presumed that this Ordinance was adopted without the invalid
21 provision.

22 **Section 10. Savings Clause.** The Agreement as set forth in
23 **Fourth Revised Exhibit 1**, labeled as "Fourth Revised Exhibit 1,
24 Fourth Rev Agmt, December 9, 2014 - Floor" herein replaces and
25 supersedes the terms of the existing Police and Fire Pension Plan.
26 It is intended that there be no lapse either in time or effect
27 between this plan and such superseded plans. Any Ordinance or part
28 of any Ordinance in conflict with the provisions hereof is repealed
29 to the extent of the conflict and should any part of this Ordinance
30 or Agreement attached hereto as **Fourth Revised Exhibit 1**, labeled
31 as "Fourth Revised Exhibit 1, Fourth Rev Agmt, December 9, 2014 -

1 Floor" be held invalid by a Court of competent jurisdiction, the
2 remainder of this Ordinance and the Agreement shall continue in
3 full force and effect and it shall be presumed that this Ordinance
4 and the Agreement were adopted without the invalid provision. In
5 particular, should the term of the attached Agreement be determined
6 to be inconsistent with Section 447.309(5), *Florida Statutes*, and
7 therefore invalid as applied to one or more provisions of the
8 attached Agreement, then the term of those provisions of the
9 attached Agreement shall be modified so that the term of those
10 provisions shall not exceed the requirements of Section 447.309(5),
11 *Florida Statutes*, or a term as adjudicated by a court of competent
12 jurisdiction and all other provisions shall continue with such term
13 as set forth in the Agreement. To the extent that anything
14 contained herein may be inconsistent with state or federal law,
15 such law will control.

16 **Section 11. Authorizing the Council Auditor's and General**
17 **Counsel's Office to make "Technical Amendments"**. The Council
18 Auditors and the General Counsel's Offices are authorized to take
19 all necessary action in connection with this legislation, to
20 execute the finalization and codification of the legislation to
21 effectuate the purposes of this Ordinance as recommended by the
22 Council Committees and enacted by Council, without further Council
23 action, provided such changes and amendments are limited to
24 "technical amendments" including updating division, and
25 departmental name changes throughout the code, and do not change
26 the fiscal impact and, further provided, that all such amendments
27 shall be subject to appropriate legal review and approval by the
28 General Counsel, or designee, and all other appropriate official
29 action required by law.

30 **Section 12. Sunset.** Ordinance 2014-386-E shall sunset, be
31 repealed, be null and void, and be of no further effect if the

1 Police and Fire Pension Fund Board of Trustees does not approve and
2 execute the Agreement (**Fourth Revised Exhibit 1**, labeled as "Fourth
3 Revised Exhibit 1, Fourth Rev Agmt, December 9, 2014 - Floor"), as
4 approved by 2014-386-E, on or before January 15, 2015.

5 **Section 13. Prospective Effective Date of Ordinance 2014-386-**

6 **E.** Notwithstanding the terms of Section 14, the provisions of this
7 Ordinance other than Sections 11 and 12, shall not become effective
8 until such time as implementation of a permanent funding source has
9 been advanced by the Mayor and enacted by Ordinance by the City
10 Council, that provides a minimum payment of \$40 million each year
11 for ten consecutive years, or an equivalent present value amount,
12 in addition to the City's annual required contribution to the
13 Police and Fire Pension Fund, to be used solely to reduce the
14 unfunded liability of the police and fire pension fund.

15 **Section 14. Effective Date.** This Ordinance shall become
16 effective upon signature by the Mayor or upon becoming effective
17 without the Mayor's signature.

18 Form Approved:

19
20 /s/ *Margaret M. Sidman*

21 Office of General Counsel

22 Legislation Prepared By: Margaret M. Sidman

23 G:\SHARED\LEGIS.CC\2014\Sub\2014-386-E.doc