

1 Introduced by Council President at the request of the Mayor:
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4 **ORDINANCE 2015-**

5 AN ORDINANCE PERTAINING TO CHAPTER 121 (POLICE
6 AND FIREFIGHTERS PENSION PLAN), ORDINANCE
7 CODE; CREATING SECTION 121.101(F); AMENDING
8 121.107 (D) (CREDIT FOR BROKEN SERVICE,
9 CONTINUOUS SERVICE, PARTIAL YEARS
10 TRANSFERABILITY, AND SERVICE AS A FLORIDA
11 STATE CERTIFIED POLICE OFFICER OR FIRE
12 FIGHTER); AMENDING SECTION 121.102(E) (POLICE
13 AND FIRE PENSION PLANS) CREATING A NEW
14 CATEGORY OF MEMBER KNOWN AS A "GROUP II
15 MEMBER" BASED UPON A DATE OF HIRE ON OR AFTER
16 THE PROSPECTIVE EFFECTIVE DATE OF ORDINANCE
17 2015-____-E AND SECTION 121.113(A) (1),
18 121.113(A) (2), AND (B) (CALCULATION OF PENSION
19 CONTRIBUTIONS FOR POLICE AND FIRE PENSION
20 FUND) REVISING THE CONTRIBUTION PERCENTAGES OF
21 EXISTING POLICE AND FIRE PENSION PLAN MEMBERS;
22 CREATING SECTION 121.114 (UNFUNDED ACTUARIAL
23 LIABILITY; MUTUAL CONTRIBUTIONS) TO OUTLINE
24 THE MUTUAL OBLIGATIONS OF THE CITY AND THE
25 POLICE AND FIRE PENSION FUND BOARD OF TRUSTEES
26 IN ADDRESSING THE UNFUNDED LIABILITY; CREATING
27 SECTION 121.115 (SUPPLEMENTAL SHARE PLAN);
28 CREATING SECTION 121.116 (BOARD OF TRUSTEES
29 INVESTMENT AUTHORITY) TO OUTLINE THE
30 INVESTMENT AUTHORITY OF THE POLICE AND FIRE
31 PENSION FUND BOARD OF TRUSTEES; CREATING

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

1 ORDINANCE BY THE CITY COUNCIL; PROVIDING AN
2 EFFECTIVE DATE.

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

8 **WHEREAS**, the City seeks to continue to offer a competitive but
9 financially sustainable retirement Plan to law enforcement officers
10 and firefighters; and

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

17 **WHEREAS**, the Agreement, hereinafter known as the 2015
18 Agreement or Agreement, supersedes a series of agreements commonly
19 known as the "30 Year Settlement Agreement"; and

20 **WHEREAS**, the City and the Board (collectively referred herein
21 as "the Parties") have a shared desire to resolve all outstanding
22 retirement issues as specifically set forth herein for the benefit
23 of taxpayers and Board members; and

24 **WHEREAS**, the Parties recognize and agree that it is in the
25 best interest of the members of the Board as well as the citizens
26 of the City of Jacksonville that all outstanding disputes
27 specifically related to the provisions herein be resolved, without
28 the need for further litigation; and

29 **WHEREAS**, the Parties represent that they will in good faith,
30 implement the terms of the 2015 Pension Reform Agreement (**attached**
31 **hereto as Exhibit 1**) and use their best efforts to obtain the

1 approval of the authorized officials necessary for the
2 implementation of the 2015 Pension Reform Agreement; and

3 **WHEREAS**, the Agreement and adoption of the ordinances
4 suggested therein will save the City of Jacksonville taxpayers at
5 least \$1.5 billion over the next 30 years; and

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

8 **WHEREAS**, all prior settlement agreements between the Parties
9 and all amendments thereto are superseded by the terms and
10 conditions set forth pursuant to the terms of this Agreement; and

11 **WHEREAS**, the Parties have agreed that the so-called "Thirty
12 Year Agreement", which includes all prior settlement agreements
13 between the Parties and all amendments thereto (i.e., 2000-1164-E,
14 2003-303-E, 2003-1338-E, and 2006-508-E), is superseded without a
15 lapse in time by this Agreement; and

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

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

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

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

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

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

2
3 **Sec. 121.101. Control and Administration of Police and Fire**
4 **Pension Fund.**

5 * * *

6 (f) From and after the prospective effective date of Ordinance
7 2015- -E: (1) the Board shall not engage in the determination of
8 pension benefits and shall leave the negotiation and future
9 modification of pension benefits to elected City officials and
10 certified bargaining agents; (2) Nothing in this section shall be
11 construed to impair the rights provided under Article 1, Section 6
12 of the Florida Constitution or Chapter 447, Florida Statutes; (3)
13 All subjects of collective bargaining including but not limited to
14 pension or retirement benefits shall be subject to the requirements
15 of Chapter 447, Florida Statutes; (4) The City and any authorized
16 certified bargaining agent shall have all of the rights and be
17 subject to the provisions of Chapter 447, Florida Statutes,
18 including but not limited to the requirement for negotiations, the
19 term limitation set forth in Section 447.309(5), Florida Statute,
20 and the impasse process, provided however, that the City shall not
21 unilaterally alter the pension benefits of Group I Members, as
22 authorized by Section 447.403(4) (d), Florida Statutes, for a period
23 of 10 years from the prospective effective date of Ordinance 2015-
24 -E; and (5) Nothing herein shall be construed to waive the
25 City's or the certified bargaining agent's right to demand
26 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 2015- -E2015- -E and
6 who have enrolled in the Police and Fire Pension Plan and are
7 contributing 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 2015- -E
11 and 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 Mmembers 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 2015- -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 2015-
23 -E, which reflects a total general wage increase of at least
24 two percent over the general wages in effect for police Members as
25 of 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 (c) 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 Insurance Premium Tax Rebate Dollars.**

1 (a) As of the prospective effective date of Ordinance 2015-
2 -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 2015- -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 2015- -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 2015- -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 Insurance Premium Tax Rebate Dollars (i.e.,
25 Chapter 175/185 Funds) will be allocated as follows: Beginning with
26 the first fiscal year commencing after the prospective effective
27 date of Ordinance 2015- -E and ending with the seventh fiscal
28 year, the Board shall annually allocate all Chapter 175/185 Funds,
29 minus the Chapter 175/185 funds used to provide the holiday bonus,
30 at the City's discretion for the benefit of the Plan, including
31 without limitation to fund base benefits, reduce the unfunded

1 actuarial 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 immediately following a year in
10 which the City does not make the contribution set forth in
11 subsection (c) the City shall add to and include within its
12 contribution in subsection (c) the following amount: the
13 contribution due under subsection (d) from the previous year less
14 the JPPPF pro rata amount due the previous year in subsection
15 (e) (1).

16 (3) In any fiscal year in which the City does not make
17 the contribution set forth in subsection (c), the Board may use the
18 Chapter 175/185 funds to either: (i) pay down the unfunded
19 liability as a contribution above those otherwise required or
20 (ii) fund a share plan as established in Section 121.115 or (iii)
21 pay the holiday bonus. (As used herein, "holiday bonus" refers to
22 the annual discretionary Chapter 175/185 Fund bonus payment
23 identified in City Ordinance 2006-508-E.) The share plan created
24 herein will be governed by the rules and regulation in Section
25 121.115. The share plan will remain unfunded until the
26 requirements outlined in this section have been met.

27 (4) After the seventh fiscal year after the prospective
28 effective date of Ordinance 2015- -E, the Board may use the
29 Florida Insurance Premium Tax Rebate Dollars to either: (i) pay
30 down the unfunded liability as a voluntary contribution or (ii)
31 fund a share plan as established in Section 121.115 or (iii) pay

1 the holiday bonus. (As used herein, "holiday bonus" refers to the
2 annual discretionary Chapter 75/185 Fund bonus payment identified
3 in City Ordinance 2006-508-E.)

4 (f) As an alternative to the provisions of subsection (c), the
5 City may, at any time, contribute an additional unfunded liability
6 payment in an amount equal to the then equivalent present value of
7 payments due and owing under subsection (c), said amount to be
8 confirmed by the actuary for the Fund and the actuary for the City.

9 **Sec. 121.115. Supplemental Share Plan.**

10 (a) Supplemental share plan retirement benefit. A supplemental
11 share plan retirement benefit ("Share Plan") is hereby created. The
12 Share Plan shall consist of an individual share account for each
13 active police officer or firefighter ("Participant") on or after
14 the prospective effective date of Ordinance 2015- -E. The sole
15 source of funds for the Share Plan shall be Florida Premium Tax
16 Dollars (i.e., Chapter 175/185 Funds) distributed pursuant to
17 Section 121.114. The Board may deposit into the Share Plan only
18 those monies identified in Section 121.114(e) and only when in
19 conformance with the requirements of Section 121.114(d) and (e).
20 The Share Plan shall remain dormant until such time as the Board
21 makes its first deposit pursuant to Section 121.114(e).

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

25 (c) Annual crediting. Effective January 1 after the first year
26 in which the Board has made its first contribution to the Share
27 Plan pursuant to Section 121.114(e) and each January 1 thereafter,
28 the Share Plan account of each active Participant on the city's
29 payroll as of the preceding September 30th shall be credited as
30 follows: Each active Participant who was employed on the preceding
31 September 30th shall receive one share for the plan year ending on

1 the same September 30th. The total number of shares thus determined
2 shall be divided into the premium tax revenues received by the
3 Share Plan during that plan year to determine the amount to be
4 credited to the Share Plan account of each eligible Participant.
5 Participants who had less than one year of service on September 30th
6 shall receive prorated shares for each full month of service based
7 on their partial year of service prior to September 30. Chapter
8 175 premium taxes shall be separately distributed to firefighter
9 Participants and Chapter 185 premium taxes shall be separately
10 distributed to police officer Participants.

11 (d) *Investment earnings and losses, or interest.* Effective the
12 first January 1 after the Board makes its first contribution to the
13 Share Plan, and each January 1 thereafter, the Share Account of
14 each active Participant shall be credited or debited with earnings
15 or losses based upon the amount in the Share Account at the close
16 of the immediately preceding calendar year at a rate equal to the
17 pension plan's actual net rate of investment return for the
18 preceding plan year.

19 (e) *Distribution of share accounts.* A Participant with ten
20 (10) or more years of credited service with the City, upon
21 termination of creditable service employment, shall be eligible to
22 receive a distribution of 100 percent of the balance in his or her
23 Share Account, together with all earnings and losses and interest
24 credited to the Share Account through the date of termination of
25 employment. No benefit shall be payable to a Participant who
26 terminates creditable service employment with fewer than ten (10)
27 years of credited service. The Share Account balances of such non-
28 vested terminated Members shall be redistributed among all eligible
29 Participants' Share Accounts in the same manner as premium tax
30 revenues in the following calendar year. The designated beneficiary
31 of a Participant who has died shall receive the accumulated total

1 of their Share Account balance. A Participant awarded a disability
2 pension from the pension plan shall receive the accumulated total
3 of their Share Account balance. Payment of Share Account benefits
4 shall be by lump sum, which shall consist of the accumulated total
5 balance of the active Participant's Share Account, or, at the
6 Participant's direction, the Share Account balance may be rolled
7 over to another qualified plan in accordance with the Internal
8 Revenue Code, with an additional payment made for any amount
9 credited in the year following termination of employment.

10 (f) The Board shall promulgate uniform rules and procedures
11 for the administration of the Share Accounts and shall file a copy
12 of those rules and procedures with the City Council Secretary.

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

14 (a) The Board of Trustees is authorized to invest and reinvest
15 the assets of the Pension Fund in any lawful investment as provided
16 in applicable provisions of s.112.661, 175.071, 185.06, 215.47,
17 Florida Statutes, and, is further authorized to invest in
18 alternative investments, alternative investment vehicles and
19 portfolio positions, as those terms are defined in this section.

20 (b) Investments in hedge funds are prohibited.

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

28 (d) For the purposes of this section, the following terms have
29 the following definitions:

30 (1) "Alternative investment" means an investment by the
31 Board of Trustees in a private equity fund which includes all of

1 the private equity sub-strategies, including venture capital,
2 distressed investing, private debt/mezzanine debt, private real
3 assets/natural resources/energy, venture fund, or distress fund or
4 a direct investment in a portfolio company through an investment
5 manager or general partner.

6 (2) "Alternative investment vehicle" means the limited
7 partnership, limited liability company, or similar legal structure
8 or investment manager through which the Board invests in a
9 portfolio company.

10 (3) "Portfolio company" means a corporation or other
11 issuer, any of whose securities are owned by an alternative
12 investment vehicle or the Board of Trustees and any subsidiary of
13 such corporation or other issuer.

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

17 (5) "Proprietor" means an alternative investment vehicle,
18 a portfolio company in which the alternative investment vehicle is
19 invested.

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

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

24 (a) The selection of any Executive Director-Administrator of
25 the Jacksonville Police and Fire Pension Fund Board of Trustees
26 shall be governed by a professional process subject to Florida law
27 in which the candidate shall be selected by the Board using the
28 City Employee Services Department's search and selection processes,
29 and, if necessary, utilizing the assistance of an executive search
30 firm retained by the Board of Trustees. A salary and benefits
31 survey should be conducted prior to advertising for the position in

1 order to establish a compensation level comparable to funds of
2 similar size and complexity to the Fund. In addition to the
3 requirements of applicable law, candidates will be required to have
4 a minimum of five years of pension administration or institutional
5 investment experience, expertise in the oversight of investment
6 portfolios, and a degree in finance, economics, accounting or a
7 related area of study from an accredited university. Comparable
8 experience administering the activities of a state or local public
9 pension plan will also be considered. Candidates who are CPAs or
10 who have a JD, MBA or CFA degree will be preferred. This section
11 shall not apply to anyone holding the position of Executive
12 Director-Administrator at the time of the enactment of this
13 section.

14 (b) As part of the selection of any future Board of Trustees'
15 Executive Director-Administrator, the aggregate compensation of the
16 Executive Director-Administrator shall be determined in accordance
17 with the market analysis of comparably-sized public pension plans
18 as noted in subsection (a). The City and Board of Trustees shall
19 ensure that any future Executive Director-Administrator and any
20 senior management employee shall be placed in either the City
21 General Employees' Pension Plan or a defined contribution plan with
22 the Board of Trustees' employer contribution subject to the limits
23 of federal law.

24 **Sec. 121.118. Use of General Counsel.** The City's Office of
25 General Counsel (the "OGC") is the proper source for legal
26 representation on routine matters (e.g., open records, public
27 meetings, other ordinary legal issues, and non-pension legal
28 services) subject to the Charter and Ordinance Code. The Charter
29 and Ordinance Code allow for separate counsel for other purposes.

30 **Section 2. Part 2, Chapter 121 Amended; Section 121.201**
31 **Amended; Sections 121.201A and 121.201B Created; Sections 121.204,**

1 **121.206 and 121.209 Amended; Section 121.211 Created.** Part 2,
2 Chapter 121, *Ordinance Code*, is hereby amended; Section 121.201,
3 *Ordinance Code*, is hereby amended; Sections 121.201A and 121.201B,
4 *Ordinance Code*, are hereby created; Sections 121.204, 121.206 and
5 121.209, *Ordinance Code*, are amended; and Section 121.211,
6 *Ordinance Code*, is hereby created; to read as follows:

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

8 **PART 2. PENSION BENEFITS**

9 **Sec. 121.201. Retirement benefits.**

10 Notwithstanding any provisions to the contrary in Chapter 18615,
11 Laws of Fla. Ch. 18615 (1937), ~~and to provide for an increase in~~
12 ~~the benefits thereby provided:~~ retirement benefits shall be as
13 defined and set forth in Section 121.201A and Section 121.201B.

14 ~~(a) Time service retirement. Members shall be entitled to a time~~
15 ~~service retirement benefit equal to a maximum of 80 percent of the~~
16 ~~average salary (as defined in Section 121.113 (a)) received by the~~
17 ~~member for the 52 pay periods immediately preceding the time of~~
18 ~~retirement, upon the completion of 30 years of credited service.~~
19 ~~For each year prior to the thirtieth year of service that a member~~
20 ~~retires, the 80 percent retirement benefit shall be reduced by two~~
21 ~~percent, of the average salary (as defined in Section 121.113 (a))~~
22 ~~received by the member for the 52 pay periods immediately preceding~~
23 ~~the time of retirement, with the minimum normal retirement benefit~~
24 ~~being 60 percent after completion of 20 years of credited service.~~

25 ~~(b) Disability retirement.~~

26 ~~(1) Any member, who prior to reaching the minimum normal retirement~~
27 ~~becomes permanently and totally disabled from useful and efficient~~
28 ~~service as a police officer or firefighter, as established by~~
29 ~~competent medical evidence, shall be entitled to a disability~~
30 ~~retirement. The disability retirement benefit shall be equal to 60~~
31 ~~percent of the average salary received by the member for the 52 pay~~

1 ~~periods immediately preceding the time of disability retirement.~~
2 ~~The Board shall establish the effective date on which the~~
3 ~~disability benefit shall commence. The Board shall, by rule,~~
4 ~~establish procedures for the examination of applicants for~~
5 ~~disability retirement, for the conduct of disability retirement~~
6 ~~hearings, for review of said hearings by a court of competent~~
7 ~~jurisdiction, and reexamination of retirees on disability pension.~~
8 ~~In the event the application for a disability pension is denied by~~
9 ~~the Board, then a new application for the same disability cannot be~~
10 ~~filed by the member within six months of the denial.~~

11 ~~(2) Any member of the pension funds created by these acts who has~~
12 ~~been in the service of the City for a period of time equal to the~~
13 ~~minimum time necessary for time service retirement or more and~~
14 ~~becomes permanently and totally disabled from useful and efficient~~
15 ~~service shall be entitled to the same rate of pension benefit~~
16 ~~calculation of the average salary (as defined in Section 121.113~~
17 ~~(a)) received by the member for the 52 pay periods immediately~~
18 ~~preceding the time of disability retirement as those members of his~~
19 ~~pension plan who retire on time service retirement. Any member who~~
20 ~~elects to retire under a disability pension as provided in this~~
21 ~~Section shall be required to meet the same requirements for a~~
22 ~~disability pension as are required for any other member of the~~
23 ~~respective fund requesting a disability retirement. The Board shall~~
24 ~~establish the effective date on which the disability benefit shall~~
25 ~~commence.~~

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

31 ~~(4) The Board shall establish the effective date on which the~~

1 ~~disability benefit shall commence. The Board shall, by rule,~~
2 ~~establish procedures for the examination of applicants for~~
3 ~~disability retirement, for the conduct of disability retirement~~
4 ~~hearings, for review of said hearings by a court of competent~~
5 ~~jurisdiction, and re-examination of retirees on disability pension.~~
6 ~~In the event the application for a disability pension is denied by~~
7 ~~the Board, a new application for the same disability cannot be~~
8 ~~filed by the member within six months of the denial.~~

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

10 ~~(1) Members who terminate employment on or after the effective date~~
11 ~~of this Ordinance with five or more years of credited service and~~
12 ~~are not otherwise eligible to retire, are eligible to receive~~
13 ~~either a deferred retirement benefit of three percent of the~~
14 ~~average salary received by the member for the 52 pay periods~~
15 ~~immediately preceding the date of vesting, for each year of~~
16 ~~credited service prior to the date of vesting, to commence on the~~
17 ~~date the member would have been eligible to receive minimum time~~
18 ~~service benefits or be paid a refund of 100 percent of member~~
19 ~~contributions to the Plan without interest. Within 30 days of a~~
20 ~~member leaving the payroll prior to normal service retirement, the~~
21 ~~member must make the election in writing to either vest or the~~
22 ~~refund will be issued automatically. Acceptance of the refund of~~
23 ~~employee contributions constitutes an irrevocable waiver of all~~
24 ~~rights to benefits from 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.~~
9 ~~Beginning with the first bi-weekly pay period after January 1,~~
10 ~~2007, and for the first bi-weekly pay period after each succeeding~~
11 ~~January 1, the recipient shall be granted a COLA in the amount of~~
12 ~~three (3) percent.~~

13 ~~(2) In addition to the COLA, a minimum adjustment supplement of~~
14 ~~five (5) dollars per month for each year of actual credited service~~
15 ~~of the participant used to compute the pension benefit shall be~~
16 ~~provided for current and future retirees and their survivors, and~~
17 ~~it shall be paid beginning with the first full biweekly pay period~~
18 ~~after October 1, 2003, and continuously thereafter; provided~~
19 ~~however that such supplement shall be no less than twenty-five (25)~~
20 ~~dollars nor more than one hundred and fifty (150) dollars per~~
21 ~~month. The adjustment supplement described herein shall be based~~
22 ~~upon the member's actual years of service rather than imputed years~~
23 ~~of service, which is used for purposes of calculating pension~~
24 ~~benefits under the disability retirement provisions of section~~
25 ~~121.201(b) and the surviving spouse provision of section~~
26 ~~121.204(a), and becomes operative in the event of the disability or~~
27 ~~death of a member, respectively. The Mayor shall annually, each~~
28 ~~January, evaluate the annual cost of the foregoing adjustment~~
29 ~~supplement by comparing it to the City's annual cost to provide~~
30 ~~single employee group health insurance. In the event that the~~
31 ~~City's cost to provide such health insurance per employee is less~~

1 than the amount of such supplement per retiree, then the supplement
2 shall be reduced to the amount of the insurance cost.

3 ~~(e) Deferred Retirement Option Program (DROP). A member eligible
4 to receive normal retirement benefits as provided in Section
5 121.201 (a), may remain in the employment of the City until the
6 elected termination date by electing to participate in the DROP, as
7 provided in Section 121.209, deferring the receipt of such
8 retirement benefits for a maximum of 130 full bi-weekly pay periods
9 (60 months) from the date of participation in the Deferred
10 Retirement Option Program.~~

11 ~~(f) Limitations on benefits. Notwithstanding any benefit granted
12 hereunder or under any other provision relating to benefits under
13 the Police and Fire Pension Plan, benefit payments for any Member
14 shall not exceed the maximum amount permitted under Section 415 of
15 the Internal Revenue Code of 1986, as amended.~~

16 ~~(g) Annual Compensation Limit. Section 401(a)(17) of the Internal
17 Revenue Code establishes an annual compensation limit for each
18 employee under a qualified plan. The provisions of Code Section
19 401(a)(17) are further described pursuant to Treasury Regulations
20 Section 1.401(a)(17)-1. The Police and Fire Pension Plan
21 incorporates by reference the annual compensation limit described
22 under Section 401 (a)(17) and Treasury Regulations Section
23 1.401(a)(17)-1. Accordingly, the Plan acknowledges that the
24 compensation taken into account for any Member of the Plan in
25 determining plan allocations or benefit accruals for the plan is
26 limited to the annual compensation limit as described in Internal
27 Revenue Code Section 401(a)(17) and the Treasury Regulations
28 related thereto. The Plan additionally elects to avail itself of
29 the transition rule for governmental plans as described in Treasury
30 Regulation Section 1.401(a)(17)-1(d)(4)(ii) which provides that
31 'eligible participants', as such term is used in the regulations,~~

1 will not be affected by the revised limit per the 1993 OBRA and
2 accordingly such 'eligible participants' may have their
3 contributions and benefits computed by using compensation of more
4 than \$150,000.00 (as adjusted), so long as it does not exceed the
5 limit in effect on July 1, 1993. All other plan participants ('non-
6 eligible participants') shall be subject to the revised limits for
7 plan years beginning after December 31, 1995.

8 ~~(h) Requirements that Actuarial Assumptions be specified. Section~~
9 ~~401(a)(25) of the Internal Revenue Code provides that whenever the~~
10 ~~amount of any benefit is to be determined on the basis of actuarial~~
11 ~~assumptions, such assumptions are specified in the plan in a way~~
12 ~~which precludes employer discretion. The provisions of Code~~
13 ~~Section 401(a)(25) and the linkage between the proper use of~~
14 ~~actuarial assumptions and the conclusion that the plan is~~
15 ~~established and maintained primarily to provide systematically for~~
16 ~~the payment of 'definitely determinable benefits' to employees, is~~
17 ~~further described pursuant to Treasury Regulations Section 1.401-~~
18 ~~1(b)(1)(i). The Police and Fire Pension Plan incorporates by~~
19 ~~reference the requirements that actuarial assumptions be specified~~
20 ~~as described under Code Section 401(a)(25) and Treasury Regulations~~
21 ~~Section 1.401-1(b)(1)(i).~~

22 ~~(i) Required distributions. Distributions from the Plan will be~~
23 ~~made in accordance with the requirements of the regulations under~~
24 ~~Internal Revenue Code Section 401(a)(9) and that any provisions in~~
25 ~~the Plan that are contradictory to the distribution requirements~~
26 ~~shall be overridden. In accordance therewith, distributions to~~
27 ~~participants must commence by the later of April 1 of the calendar~~
28 ~~year following the calendar year in which the employee attains the~~
29 ~~age of 70 $\frac{1}{2}$, or April 1 of the calendar year following the calendar~~
30 ~~year in which the employee retires. In addition to meeting the~~
31 ~~minimum distribution amount, the distribution must also meet the~~

1 ~~incidental benefit requirements of Internal Revenue Code Section~~
2 ~~401(a)(9)(g) and Proposed Regulations Sections 1.401(a)(9)-1 and~~
3 ~~1.401(a)(9)-2.~~

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

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

8 (a) Time service retirement.

9 (1) For Members with 10 or more years of service as of the
10 prospective effective date of Ordinance 2015- -E, those Members
11 shall be entitled to a time service retirement benefit equal to a
12 maximum of 80 percent of the average salary (as defined in Section
13 121.113 (a)(1)) received by the member for the 52 pay periods
14 immediately preceding the time of retirement, upon the completion
15 of 30 years of credited service. For each year prior to the
16 thirtieth year of service that a member retires, the 80 percent
17 retirement benefit shall be reduced by two percent, of the average
18 salary (as defined in Section 121.113 (a)(1)) received by the
19 member for the 52 pay periods immediately preceding the time of
20 retirement, with the minimum normal retirement benefit being 60
21 percent after completion of 20 years of credited service.

22 (2) For Members with fewer than 5 years of service as of the
23 prospective effective date of Ordinance 2015- -E, those Members
24 shall be entitled to a time service retirement benefit equal to a
25 maximum of 80 percent of the average salary (as defined in Section
26 121.113 (a)(1)) received by the member for the 104 pay periods
27 immediately preceding the time of retirement, upon the completion
28 of 30 years of credited service. For each year prior to the
29 thirtieth year of service that a member retires, the 80 percent
30 retirement benefit shall be reduced by two percent, of the average
31 salary (as defined in Section 121.113 (a)(1)) received by the

1 member for the 104 pay periods immediately preceding the time of
2 retirement, with the minimum normal retirement benefit being 60
3 percent after completion of 20 years of credited service. However,
4 in no event shall the average salary be less than it would have
5 been using the 52 pay periods ending on the prospective effective
6 date of Ordinance 2015- -E.

7 (b) Disability retirement.

8 (1) A Group I member, who prior to reaching the minimum normal
9 retirement becomes permanently and totally disabled from useful and
10 efficient service as a police officer or firefighter, as
11 established by competent medical evidence, shall be entitled to a
12 disability retirement. The disability retirement benefit for
13 Members with 5 years of service as of the prospective effective
14 date of Ordinance 2015- -E shall be equal to 60 percent of the
15 average salary received by the Member for the 52 pay periods
16 immediately preceding the time of disability retirement. The
17 disability retirement benefit for Members with fewer than 5 years
18 of service as of the prospective effective date of Ordinance 2015-
19 -E shall be equal to 60 percent of the average salary received
20 by the member for the 104 pay periods immediately preceding the
21 time of disability retirement. However, in no event shall the
22 average salary be less than it would have been using the 52 pay
23 periods ending on the prospective effective date of Ordinance 2015-
24 -E. The Board shall establish the effective date on which the
25 disability benefit shall commence. The Board shall, by rule,
26 establish procedures for the examination of applicants for
27 disability retirement, for the conduct of disability retirement
28 hearings, for review of said hearings by a court of competent
29 jurisdiction, and reexamination of retirees on disability pension.
30 In the event the application for a disability pension is denied by
31 the Board, then a new application for the same disability cannot be

1 filed by the member within six months of the denial.

2 (2) For Group I Members with 5 or more years of service as of the
3 prospective effective date of Ordinance 2015- -E, who have been
4 in the service of the City for a period of time equal to the
5 minimum time necessary for time service retirement or more and
6 become permanently and totally disabled from useful and efficient
7 service shall be entitled to the same rate of pension benefit
8 calculation of the average salary (as defined in Section 121.113
9 (a)(1)) received by the member for the 52 pay periods immediately
10 preceding the time of disability retirement as those Members of his
11 pension plan who retire on time service retirement. For Group I
12 Members with fewer than 5 years of service as of the prospective
13 effective date of Ordinance 2015- -E, who have been in the
14 service of the City for a period of time equal to the minimum time
15 necessary for time service retirement or more and become
16 permanently and totally disabled from useful and efficient service
17 shall be entitled to the same rate of pension benefit calculation
18 of the average salary (as defined in Section 121.113 (a)(1))
19 received by the member for the 104 pay periods immediately
20 preceding the time of disability retirement as those Members of his
21 pension plan who retire on time service retirement. However, in no
22 event shall the average salary be less than it would have been
23 using the 52 pay periods ending on the prospective effective date
24 of Ordinance 2015- -E. Any member who elects to retire under a
25 disability pension as provided in this Section shall be required to
26 meet the same requirements for a disability pension as are required
27 for any other member of the respective fund requesting a disability
28 retirement. The Board shall establish the effective date on which
29 the disability benefit shall commence.

30 (3) In applying the provisions of this Section, the adjustment
31 supplement described in 121.201A(d)(2) that is calculated for the

1 benefit of a member and a surviving spouse shall be based upon the
2 actual years of credited service, subject to the minimum and
3 maximum provisions, rendered by the member.

4 (c) Vested retirement benefits.

5 (1) For Group I Members with 5 or more years of service as of the
6 prospective effective date of Ordinance 2015- -E, who terminate
7 employment on or after the prospective effective date of Ordinance
8 2015- -E with five or more years of credited service and are not
9 otherwise eligible to retire, are eligible to receive either a
10 deferred retirement benefit of three percent of the average salary
11 received by the member for the 52 pay periods immediately preceding
12 the date of vesting, for each year of credited service prior to the
13 date of vesting, to commence on the date the member would have been
14 eligible to receive minimum time service benefits or be paid a
15 refund of 100 percent of member contributions to the Plan without
16 interest. For Group I Members with fewer than 5 years of service as
17 of the prospective effective date of Ordinance 2015- -E, who
18 terminate employment on or after the prospective effective date of
19 Ordinance 2015- -E with five or more years of credited service
20 and are not otherwise eligible to retire, are eligible to receive
21 either a deferred retirement benefit of three percent of the
22 average salary received by the member for the 104 pay periods
23 immediately preceding the date of vesting, for each year of
24 credited service prior to the date of vesting, to commence on the
25 date the member would have been eligible to receive minimum time
26 service benefits or be paid a refund of 100 percent of member
27 contributions to the Plan without interest. However, in no event
28 shall the average salary be less than it would have been using the
29 52 pay periods ending on the prospective effective date of
30 Ordinance 2015- -E. Within 30 days of a member leaving the
31 payroll prior to normal service retirement, the member must make

1 the election in writing to either vest or the refund will be issued
2 automatically. Acceptance of the refund of employee contributions
3 constitutes an irrevocable waiver of all rights to benefits from
4 the Plan.

5 (2) In the event that the Member who is entitled to vested
6 retirement benefits becomes deceased prior to the scheduled date
7 for the commencement of the payment of retirement benefits, the
8 surviving spouse and/or children of such Member shall not be
9 entitled to a refund of contributions nor shall they be entitled to
10 the payment of survivors benefits otherwise extended to Members who
11 completed the required number of years of service to become
12 eligible for minimum time service benefits.

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

16 (d) Cost of Living Adjustments.

17 (1) A Cost of Living Adjustment (COLA) based on each prior annual
18 benefit amount actually received (exclusive of onetime bonuses or
19 adjustments) shall be provided for retirees and survivors. For
20 Members with 20 or more years of credited service as of the
21 prospective effective date of Ordinance 2015- -E, beginning with
22 the first bi-weekly pay period in the first January after
23 commencement of benefit and in each subsequent first bi-weekly pay
24 period in January, the recipient shall be granted a COLA in the
25 amount of three percent. For Members with fewer than 20 years of
26 credited service as of the prospective effective date of Ordinance
27 2015- -E, beginning with the first bi-weekly pay period in the
28 first January after commencement of benefit and in each subsequent
29 first bi-weekly pay period in January, the Member shall be granted
30 a COLA equal to three percent applied to the portion of the accrued
31 benefit based on credited service prior to the prospective

1 effective date of Ordinance 2015- -E, and equal to the Social
2 Security COLA for the same plan year, but not to exceed six
3 percent, applied to the portion of the accrued benefit based on
4 credited service on and after the prospective effective date of
5 Ordinance 2015- -E.

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

27 (e) Deferred Retirement Option Program (DROP). A member eligible
28 to receive normal retirement benefits as provided in Section
29 121.201A (a), may remain in the employment of the City until the
30 elected termination date by electing to participate in the DROP, as
31 provided in Section 121.209, deferring the receipt of such

1 retirement benefits for a maximum of 130 full bi-weekly pay periods
2 (60 months) from the date of participation in the Deferred
3 Retirement Option Program.

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

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

1 (h) Requirements that Actuarial Assumptions be specified. Section
2 401(a)(25) of the Internal Revenue Code provides that whenever the
3 amount of any benefit is to be determined on the basis of actuarial
4 assumptions, such assumptions are specified in the plan in a way
5 which precludes employer discretion. The provisions of Code
6 Section 401(a)(25) and the linkage between the proper use of
7 actuarial assumptions and the conclusion that the plan is
8 established and maintained primarily to provide systematically for
9 the payment of 'definitely determinable benefits' to employees, is
10 further described pursuant to Treasury Regulations Section 1.401-
11 1(b)(1)(i). The Police and Fire Pension Plan incorporates by
12 reference the requirements that actuarial assumptions be specified
13 as described under Code Section 401(a)(25) and Treasury Regulations
14 Section 1.401-1(b)(1)(i).

15 (i) Required distributions. Distributions from the Plan will be
16 made in accordance with the requirements of the regulations under
17 Internal Revenue Code Section 401(a)(9) and that any provisions in
18 the Plan that are contradictory to the distribution requirements
19 shall be overridden. In accordance therewith, distributions to
20 Participants must commence by the later of April 1 of the calendar
21 year following the calendar year in which the employee attains the
22 age of 70 ½, or April 1 of the calendar year following the calendar
23 year in which the employee retires. In addition to meeting the
24 minimum distribution amount, the distribution must also meet the
25 incidental benefit requirements of Internal Revenue Code Section
26 401(a)(9)(g) and Proposed Regulations Sections 1.401(a)(9)-1 and
27 1.401(a)(9)-2 if applicable.

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

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

1 (a) Time service retirement. Upon reaching 30 years of credited
2 service, Group II Members shall be entitled to a time service
3 retirement with a benefit equal to 2.5 percent of average salary
4 multiplied by the number of years of credited service, but not
5 exceeding a maximum of 75 percent of average salary. The term
6 "average salary" as used in the foregoing sentence means the
7 average "salaries" (as defined in Section 121.113(a)(2)) received
8 by the Group II Member during the 130 bi-weekly pay periods
9 immediately preceding the date of retirement. Notwithstanding the
10 foregoing, the annual retirement benefit shall not exceed
11 \$99,999.99, which amount shall be adjusted January 1 of each year
12 beginning with the first January after the prospective effective
13 date of Ordinance 2015- -E, by the most recent cost of living
14 adjustment applicable to recipients of Social Security retirement
15 benefits, as determined by the U.S. Social Security Administration
16 each calendar year, but not exceeding 1.5 percent.

17 (b) Disability retirement.

18 (1) A Group II Member who, prior to reaching the minimum normal
19 retirement eligibility of 30 years of credited service, becomes
20 permanently and totally disabled from useful and efficient service
21 as a police officer or firefighter, as established by competent
22 medical evidence, shall be entitled to a disability retirement.
23 The disability retirement benefit shall be equal to 50 percent of
24 the average "salaries" (as defined in Section 121.113(a)(2))
25 received by the Group II Member for the 130 pay periods immediately
26 preceding the time of disability retirement. The Board shall
27 establish the effective date on which the disability benefit shall
28 commence. The Board shall, by rule, establish procedures for the
29 examination of applicants for disability retirement, for the
30 conduct of disability retirement hearings, for review of said
31 hearings by a court of competent jurisdiction, and reexamination of

1 retirees on disability pension. In the event the application for a
2 disability pension is denied by the Board, then a new application
3 for the same disability cannot be filed by the Group II Member
4 within six months of the denial.

5 (2) A Group II Member who has been in the service of the City for a
6 period of time at least equal to the minimum time necessary for
7 time service retirement and who becomes permanently and totally
8 disabled from useful and efficient service, shall be entitled to
9 the same pension calculation as a Group II Member who retires
10 pursuant to a time service retirement as described in Section
11 121.201B(a). Any Group II Member who elects to retire under a
12 disability pension as provided in this Section shall be required to
13 meet the same requirements for a disability pension as are required
14 for any other Member of the Fund requesting a disability
15 retirement.

16 (c) Vested retirement benefits.

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

1 (2) In the event that a former Group II Member who separates from
 2 service and is entitled to vested retirement benefits dies prior to
 3 the scheduled date for the commencement of the payment of
 4 retirement benefits, the surviving spouse and/or children of such
 5 member shall not be entitled to a refund of contributions nor shall
 6 they be entitled to the payment of survivors benefits otherwise
 7 extended to Members who complete the required number of years of
 8 service to become eligible for minimum time service benefits.

9 (3) Former Group II Members who separate from service and are
 10 entitled to receive vested retirement benefits are not eligible to
 11 qualify for potential enhancements pursuant to the minimum monthly
 12 pension provisions of Section 121.301.

13 (4) Group II Members with at least 25 but less than 30 years of
 14 credited service shall be eligible for early retirement, provided
 15 that for each year or partial year prior to reaching 30 years of
 16 credited service, the Group II Member who retires early shall incur
 17 a 2.5% accrual rate penalty for any year or part thereof short of
 18 30 years. Notwithstanding this provision, the minimum pension a
 19 person taking early retirement under this section will not be less
 20 than 52.5% of employee's final average compensation. Early
 21 retirement benefits pursuant to this section will be calculated as
 22 follows:

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

1 (d) Cost of Living Adjustments. (1) A Cost of Living
2 Adjustment (COLA) based on each prior annual benefit amount
3 actually received (exclusive of one-time bonuses or adjustments)
4 shall be provided for Group II Retirees and their eligible
5 survivors, on the first bi-weekly pay period in each January
6 beginning in the third January following commencement of benefit.
7 Group II Retirees and their eligible survivors shall be granted a
8 COLA in the amount of COLA applicable to recipients of Social
9 Security retirement benefits, as determined by the U.S. Social
10 Security Administration each calendar year, but not exceeding 1.5
11 percent.

12 (2) In addition to the COLA, a minimum adjustment supplement of
13 five (5) dollars per month for each year of actual credited service
14 of the Participant used to compute the pension benefit shall be
15 provided for current and future retirees and their survivors, and
16 it shall be paid beginning with the first full biweekly pay period
17 after October 1, 2003, and continuously thereafter; provided
18 however, that such supplement shall be no less than twenty-five
19 (25) dollars nor more than one hundred and fifty (150) dollars per
20 month. The adjustment supplement described herein shall be based
21 upon the member's actual years of service rather than imputed years
22 of service, which is used for purposes of calculating pension
23 benefits under the disability retirement provisions of section
24 121.201A (b) and the surviving spouse provision of section
25 121.204(a)(1), and becomes operative in the event of the disability
26 or death of a member, respectively. The Mayor shall annually, each
27 January, evaluate the annual cost of the foregoing adjustment
28 supplement by comparing it to the City's annual cost to provide
29 single employee group health insurance. In the event that the
30 City's cost to provide such health insurance per employee is less
31 than the amount of such supplement per retiree, then the supplement

1 shall be reduced to the amount of the insurance cost.

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

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

30 (g) Requirements that Actuarial Assumptions be specified. Section
31 401(a)(25) of the Internal Revenue Code provides that whenever the

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

13 (h) Required distributions. Distributions from the Plan will be
14 made in accordance with the requirements of the regulations under
15 Internal Revenue Code Section 401(a)(9) and any provisions in the
16 Plan that are contradictory to the distribution requirements shall
17 be overridden. In accordance therewith, distributions to
18 Participants must commence by the later of April 1 of the calendar
19 year following the calendar year in which the employee attains the
20 age of 70 ½, or April 1 of the calendar year following the calendar
21 year in which the employee retires. In addition to meeting the
22 minimum distribution amount, the distribution must also meet the
23 incidental benefit requirements of Internal Revenue Code Section
24 401(a)(9)(g) and Proposed Regulations Sections 1.401(a)(9)-1 and
25 1.401(a)(9)-2.

26 * * *

27 **Sec. 121.204 Surviving Spouse Benefits.**

28 Notwithstanding the provisions of Laws of Fla. Ch. 18615
29 (1937), as amended; or Laws of Fla. Ch. 23259 (1945), as amended,
30 and to increase the benefits thereby provided:

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

3 (1) The following shall apply only to Group I Members' spouse
4 benefits: Any Mmember of the fund hereafter who shall be killed or
5 die from effects of an injury or of any illness or disease and any
6 such Mmember so killed or dying shall have a spouse living with
7 such Mmember at time of death, the Board shall direct the payment
8 from the fund of the following sum to the surviving spouse, 75
9 percent of the pension benefit the deceased Mmember would be
10 entitled to receive, had the Mmember completed 20 years of credited
11 service ~~(60 percent of the average salary as defined in Section~~
12 ~~121.113(a) received by the member for the 52 pay periods~~
13 ~~immediately preceding the time of death)~~ and survived to receive
14 such pension. If a deceased Mmember served in excess of 20 years,
15 the 75 percent of the pension benefit shall be based upon the
16 actual years of service. In applying the provisions of this
17 Section, the adjustment supplement described in 121.201A(d)(2) that
18 is calculated for the benefit of the surviving spouse of a Group I
19 Member shall be based upon the actual years of credited service,
20 subject to the minimum and maximum provisions, rendered by the
21 member rather than the assumed completion of 20 years of credited
22 service otherwise acknowledged in this Section. The pension benefit
23 as used herein shall be comprised of the base pension benefit as
24 adjusted for the COLA, but exclusive of the adjustment supplement
25 described in 121.201A(d)(2) which shall be 100 percent allocable to
26 the surviving spouse.

27 (2) The following shall apply only to Group II Members' spouse
28 benefits: A MMember of the fund hereafter who shall be killed or die
29 from effects of an injury or of any illness or disease and any such
30 Member so killed or dying shall have a spouse living with such
31 Member at time of death, the Board shall direct the payment from

1 the fund of the following sum to the surviving spouse, 75 percent
2 of the pension benefit the deceased Member would be entitled to
3 receive, had the Member completed 30 years of credited service, as
4 defined in 121.201B(c)(4), and survived to receive such pension. If
5 a deceased Member served in excess of 30 years, the 75 percent of
6 the pension benefit shall be based upon the actual years of
7 service. The pension benefit as used herein shall be comprised of
8 the base pension benefit as adjusted for the COLA, but exclusive of
9 the adjustment supplement described in 121.201B(d)(2) which shall
10 be 100 percent allocable to the surviving spouse.

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

23 * * *

24 (g) A spouse shall be deemed living with the Member if the Member
25 or spouse is confined to a nursing or hospital facility at the time
26 of the Member's death, provided that the Member was living with the
27 spouse at the time of admission to the nursing or hospital
28 facility.

29 * * *

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

31 * * *

1 (b) If there is a surviving spouse, each child's benefit shall be
2 \$200 per month until (i) each child reaches age 18 years, whether
3 or not the child is a qualified student, or (ii) each child reaches
4 age 22, provided the child is a qualified student, or (iii) each
5 child becomes married, whereupon the children's benefits described
6 herein shall cease, provided that the total of the surviving spouse
7 and children's benefits do not exceed the total of the deceased
8 ~~M~~member's projected benefit. In addition thereto, each child of a
9 surviving spouse of a Group I Member or Group II Member shall be
10 entitled to the receipt of the minimum adjustment supplement
11 provided in Section 121.201A(d)(2) or Section 121.201B(d)(2).

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

30 * * *

31 **Sec. 121.209 Deferred Retirement Option Program (DROP) for**

1 **Group I Members**

2 This Section 121.209 applies only to Group I Members, and the term
3 "Member" as used in this Section means "Group I Member". In
4 general, and subject to the provisions of this Section, the
5 Deferred Retirement Option Program, hereinafter referred to as the
6 DROP, is a program under which an eligible Mmember of the plan, may
7 elect to participate, deferring receipt of normal retirement
8 benefits while continuing employment with the City without loss of
9 any other employee benefits. Upon an eligible Mmember's election to
10 participate in the DROP, the amount of credited service and final
11 average salary becomes frozen for purposes of determining pension
12 benefits. Additional service beyond the date of entry into the DROP
13 shall no longer accrue any additional benefits under the Pension
14 Fund. The deferred monthly retirement benefits under the DROP shall
15 accrue in the fund on behalf of the Participant, plus interest
16 compounded monthly, as provided in subsection (c)(1) of this
17 Section, for the specified period of the DROP participation, as
18 provided in subsection (b)(1) of this Section. Upon termination of
19 employment, the Participant shall receive the total DROP benefits,
20 as provided in Section 121.209(c) and begin to receive the
21 previously determined normal retirement benefits.

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

26 (1) A member who is eligible to receive normal retirement benefits
27 under Section 121.201A(a) may participate in the DROP providing the
28 member elects to participate within the time limits contained in
29 Section 121.209(b)(1).

30 * * *

31 (b) *Participation in the DROP.*

1 employment as provided in subsection (b)(4)(ii) of this Section.

2 (ii) The terminated DROP Participant or if deceased, such
3 Participant's surviving spouse or representative, shall elect on
4 forms provided by the Board to receive payment of the DROP benefits
5 in accordance with one of the options listed below. For a DROP
6 Participant who fails to elect a method of payment within 30 days
7 of termination of the DROP, the Board will pay a lump sum as
8 provided in subsection (a), below, as soon as administratively
9 practical. For a surviving spouse of a current or former DROP
10 Participant who fails to elect a method of payment within 90 days
11 of the date of death of the current or former DROP Participant, the
12 Board will pay a lump sum as provided in subsection a., below, as
13 soon as administratively practical.

14 * * *

15 d. Monthly distribution. The account balance shall be distributed
16 in a monthly amount paid biweekly of substantially equal amounts,
17 until the DROP account is depleted, over a stipulated number of bi-
18 weekly periods to be selected by the Participant or the surviving
19 spouse, less withholding taxes remitted to the Internal Revenue
20 Service. Such selection once made, cannot be changed, unless
21 changed to Option (a) or (b), above. The annual rate of interest to
22 be factored into such distribution period shall be based on the
23 actual rate of return; provided however, that the minimum interest
24 shall be 2.0 percent and the maximum interest shall be 14.408.4
25 percent for Members with less than 20 years of service as of the
26 prospective effective date of Ordinance 2015- -E. For Members
27 with 20 or more years of service as of the prospective effective
28 date of Ordinance 2015- -E, the annual rate of interest to be
29 factored into such distribution period shall be 8.4 percent.

30 Notwithstanding the foregoing, in the event that the Participant
31 selected a payout period over the Participant's life expectancy or

1 over the joint life expectancies of the Participant and the
2 Participant's spouse in order to avoid the application of the ten
3 percent additional tax on early distributions reflected in Section
4 72(t) of the Internal Revenue Code, such Participant may shorten
5 the number of biweekly payout periods originally selected by the
6 Participant, provided that the timing of such modification conforms
7 to the standards described in Section 72(t)(4) of the Internal
8 Revenue Code.

9 * * *

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

13 * * *

14 (e) Cost of living adjustment. On the first full biweekly pay
15 period after April 1, 2000 or as soon as administratively practical
16 thereafter, and for the first full biweekly pay period after each
17 succeeding April 1st, the deferred retirement benefit may be
18 increased, under the provisions of Section 121.201A(d)(1), if
19 applicable.

20 (f) Health insurance subsidy. DROP Participants are not eligible
21 for the health insurance subsidy as provided in Section
22 121.201A(d)(2) of this Chapter until termination of employment is
23 effectuated.

24 * * *

25 (i) *Contributions and deductions.*

26 (1) The employer contributions on the salary, as defined in Section
27 121.113(a)(1) of DROP Participants shall be zero percent.

28 (2) A deduction of two percent per annum shall be made from all
29 salaries (as defined in Section 121.113(a)(1)) of DROP Participants
30 as the contribution from the Participant during the period of DROP
31 participation, with such amount being credited to the Base Benefits

1 Fund.

2 * * *

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

4 (a) There is hereby created a BACKDROP retirement option (the
5 "BACKDROP") to the Retirement Plan, which shall allow any Group II
6 Member who has 30 or more years of credited service, to elect to
7 enter the BACKDROP plan. By electing to participate in the
8 BACKDROP, that Member's retirement benefits are calculated as if
9 the member had actually retired at an earlier date, provided
10 however the BACKDROP period shall not exceed five years.

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

13 (i) One copy of a signed and submitted letter of resignation dated
14 effective as of the date of election to participate in the
15 BACKDROP.

16 (ii) A properly completed BACKDROP application on forms provided by
17 the Fund, which, once submitted, shall be irrevocable by the
18 member.

19 (iii) Subject to Section 121.211(d), the selection of the dates
20 that begin and end the period of participation in the BACKDROP (the
21 "BACKDROP Period"). The BACKDROP period shall not exceed five
22 years.

23 (iv) An agreement to replace the retirement benefits otherwise
24 applicable with BACKDROP benefits and a reduced time service
25 benefit calculated as of the beginning of the BACKDROP Period as if
26 the BACKDROP Participant had retired as of that date, but payable
27 starting as of actual retirement at the end of the BACKDROP Period.

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

30 (2) For purposes of this Section, each eligible member who elects
31 to participate in the BACKDROP and satisfies all of the

1 requirements of this Section shall be referred to as a "BACKDROP
2 Participant".

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

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

10 (i) The time service retirement benefits pursuant to Section
11 121.201B the BACKDROP Participant Member would have received had
12 the BACKDROP Participant actually retired at the commencement of
13 the BACKDROP Period, and

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

17 (2) Upon retirement, the BACKDROP Participant thereafter shall be
18 eligible to receive a reduced time service benefit determined as of
19 the beginning of the BACKDROP period, as defined in Section
20 121.211(b)(1)(iii). Should the Member elect to use any year or
21 partial year of service which occurred prior to reaching 30 years
22 of credited service in their BACKDROP period, the retirement
23 benefit otherwise calculated for those years will be reduced by two
24 percent of average salary as defined in Section 121.113(a)(2). The
25 reduced time service benefit will be calculated as follows:

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

1	26 but less than 27	57.00%
2	27 but less than 28	61.50%
3	28 but less than 29	66.00%
4	29 but less than 30	70.50%

5
6 (e) Interest shall be credited starting from the hypothetical date
7 the payment would have been made had the BACKDROP Participant
8 retired as of the beginning of the BACKDROP period to the end of
9 the BACKDROP period at an annual rate of return, compounded
10 annually, equivalent to the actual rate of return on the Fund
11 assets during the BACKDROP period, provided that such rate of
12 return shall not be less than zero nor more than ten percent.

13 (f) A BACKDROP Participant shall not be entitled to receive any
14 cost-of-living increase during the BACKDROP Period. The waiting
15 period to receive cost-of-living increases, as set forth in Section
16 121.201B(d), shall commence upon retirement.

17 (g) Provided the BACKDROP Participant has satisfied all
18 requirements set forth in this Section, within 30 days from the
19 date of expiration of the BACKDROP Period or as soon as practical
20 thereafter, the Retirement Plan shall disburse the amount of the
21 BACKDROP Participant's BACKDROP benefits to the BACKDROP
22 Participant.

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

26 **Section 3. Part 5, Chapter 121 Created.** Part 5, Financial
27 Investment and Advisory Committee, Chapter 121, Ordinance Code, is
28 hereby created to read as follows:

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

30 * * *

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

1 **Sec. 121.501. Financial Investment and Advisory Committee**

2 **Created.** There is hereby created a Jacksonville Police and Fire
3 Pension Fund Board of Trustees Financial Investment and Advisory
4 Committee of five persons.

5 **Sec. 121.502. General Responsibilities and Duties of**
6 **Financial Investment and Advisory Committee.** The Financial

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

14 **Sec. 121.503. Financial Investment and Advisory Committee;**
15 **Membership, Appointment and Terms.**

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

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

27 (c) The term of office shall be three years. No person shall
28 serve more than three consecutive terms. Of the five persons
29 selected to serve on the initial Committee two members shall serve
30 initial terms of two years. In its confirmation of the Committee
31 Member nominee, the City Council shall designate whether the

1 initial term is for two or for three years.

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

4 (a) With regard to general strategy matters such as actuarial
5 practices and assumptions, asset allocation, accounting
6 determinations, risk management, actuarial assumptions, the
7 Financial Investment Advisory Committee may at any time provide
8 advice and recommendations to the Board, which shall receive and
9 act upon such advice and recommendations as the Board, in its
10 fiduciary capacity, shall determine.

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

21 (c) With regard to the selection (or deselection) of other
22 professionals or professional services, including, but not limited
23 to, actuaries, the Financial Investment and Advisory Committee
24 shall furnish advice and recommendations to the Board as requested
25 by the Board, following such processes as may be determined with
26 respect to the particular selection (or deselection).

27 (d) Notwithstanding any provision of this section, nothing shall
28 prohibit the Board from immediately removing a financial advisor,
29 manager, consultant or custodian, when in the opinion of the Board,
30 with the advice of the Investment Consultant, such action is
31 necessary to safeguard the Fund from loss. The assets held by any

1 such deselected manager shall be placed in a pre-selected index
2 fund for the same class of investment until a replacement manager
3 can be selected as provided for in this section.

4 **Sec. 121.505. Financial Investment and Advisory Committee;**
5 **Fiduciary Responsibilities; Improper Business Relationships.**

6 (a) Financial Investment and Advisory Committee members shall be
7 deemed to be fiduciaries of the Police and Fire Pension Fund. Each
8 member individually and the Financial Investment and Advisory
9 Committee as a whole shall be required to undergo periodically any
10 and all fiduciary and ethical training required by the Board or by
11 ordinance.

12 (b) Financial Investment and Advisory Committee members shall
13 comply with all requirements of state law with regard to annual
14 public conflict disclosure statements required by members of other
15 public agencies and boards.

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

24 **Sec. 121.506. Financial Investment and Advisory Committee;**
25 **Miscellaneous Provisions.**

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

28 (b) The Board shall provide administrative support to the Financial
29 Investment and Advisory Committee.

30 **Section 4. Part 6, Chapter 121 Created.** Part 6, Ethics,
31 Fiduciary Responsibilities and Best Practices, Chapter 121,

1 Ordinance Code, is hereby created to read as follows:

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

3 * * *

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

5
6 **Sec. 121.601. Police and Fire Pension Fund Board of Trustees**
7 **and Executive Director; Fiduciary Responsibilities; Improper**
8 **Business Relationships.**

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

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

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

24 **Sec. 121.602. Actuarial Assumptions.** The assumed annual
25 actuarial rate of return Jacksonville Police and Fire Pension Fund
26 at the date of the adoption of this section shall be 7.0%. This
27 rate shall be modified only as required by law or upon agreement by
28 the City and the Police and Fire Pension Fund Board of Trustees,
29 based on sound actuarial practices.

30 **Sec. 121.603. Actuarial and investment reports.**

31 (a) The Police and Fire Pension Fund Board of Trustees shall have

1 the duty to have an annual actuarial valuation of the Police and
2 Fire Pension Fund performed by the Board of Trustee's actuary.
3 This valuation shall be performed as of October 1 of each year. The
4 annual actuarial valuations shall be completed and delivered as
5 expeditiously as possible to the Board, the Financial Investment
6 and Advisory Committee, the City's Director of Finance and to the
7 City Council Auditor promptly upon completion but, in any event,
8 the Board of Trustees shall have the valuation analyses and reports
9 completed and delivered no later than 120 days after October 1. The
10 120-day deadline set forth herein is conditioned upon the City
11 promptly responding to reasonable requests made by the Board of
12 Trustees to the City for information necessary for the preparation
13 of such valuations.

14 (b) In addition to following all professional standards and
15 requirements for actuarial analysis and reporting, the Board of
16 Trustees will utilize the following approaches and assumptions:

17 (1) Annual actuarially required contributions
18 calculations based on most recent actuarial assumptions;

19 (2) No fewer than two alternative funding scenarios based
20 on variable investment performance in addition to the base case,
21 that extend to future years and incorporate volatility;

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

24 (4) Consistency in actuarial methods;

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

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

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

1 (c) The actuarial practices will be consistent from year to year
2 unless changed through an "experience study" or decision of the
3 Board, with advice from the Financial Investment and Advisory
4 Committee, or unless necessary for compliance with applicable laws
5 or regulations.

6 (d) The Board of Trustees must distribute to City's Chief Financial
7 Officer and City Council Auditor the Police and Fire Pension Fund's
8 quarterly investment return reports. These reports must, at a
9 minimum, show gross gain/loss results as well as gain/loss results
10 net of investment fees. These quarterly reports must also include
11 comparisons to (1) assumption and benchmarks of the Police and Fire
12 Pension Fund and (2) results of comparable pension funds.

13 **Sec. 121.604. Annual Financial Statements.**

14 (a) On or before January 31 of each year, commencing with the first
15 January following the prospective effective date of Ordinance 2015-
16 -E, the Board of Trustees shall prepare annual financial
17 statements for the fiscal year ending the previous September 30 and
18 submit such annual financial statements electronically or as
19 otherwise agreed to the Mayor, City Council President, City
20 Director of Finance, City Council Auditor, and the Treasurer of the
21 Board; and, on or before March 15 of each year, to the Florida
22 Department of Management Services (the "Department") in format(s)
23 prescribed by the Department.

24 (b) The annual financial statements shall be in compliance with the
25 requirements of the Government Accounting and Standard Board's
26 Statement No. 67, Financial Reporting for Pension Plans and
27 Statement No. 68, Accounting and Financial Reporting for Pensions,
28 using the mortality tables and generational projections by gender
29 most recently available from qualified actuarial sources. If yet
30 unaccepted updates also are available that suggest longevity
31 improvements beyond accepted tables, then such updates shall be

1 used in lieu of accepted tables so long as such usage remains
2 acceptable within GASB requirements and is permitted by applicable
3 law.

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

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

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

15 (a) all financial and actuarial studies and reports created
16 pursuant to this Chapter or other law;

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

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

22 **Sec. 121.606. Ethics, Certification and Disclosure**
23 **Requirements for Investment Managers and Advisors.**

24 (a) Any investment manager or advisor of the Police and Fire
25 Pension Fund who has discretionary authority for any investment of
26 the fund, any custodian of Fund assets, and any investment
27 consultant retained by the Board shall agree to certify, annually,
28 to the Financial Investment and Advisory Committee and to the Board
29 of Trustees, no later than the January 31 following the previous
30 calendar year, that:

31 (1) The investment manager, advisor, custodian, or investment

1 consultant acknowledges that the manager or advisor serves as a
2 fiduciary to the Police and Fire Pension Fund and agrees to be
3 bound by all responsibilities of a fiduciary;

4 (2) All investment decisions made by the investment manager,
5 advisor, custodian, or investment consultant on behalf of the
6 Police and Fire Pension Fund are made in the best interests of the
7 Fund and not made in a manner to the advantage of such investment
8 advisor, manager, custodian, investment consultant, other persons,
9 or clients to the detriment of the Fund;

10 (3) Appropriate policies, procedures, or other safeguards
11 have been adopted and implemented by such manager, advisor,
12 custodian, or investment consultant to ensure that relationships
13 with any affiliated persons or entities do not adversely influence
14 the investment decisions made on behalf of the Police and Fire
15 Pension Fund;

16 (4) The investment manager, advisor, custodian, or investment
17 consultant is not the subject of a claim or litigation brought by a
18 present or former client or by a regulatory agency asserting that
19 such investment manager, advisor, custodian, or investment
20 consultant has breached its fiduciary responsibilities, or, if such
21 be the case, the investment manager, advisor, custodian, or
22 investment consultant shall disclose the particulars of each such
23 claim or litigation;

24 (5) A written code of ethics, conduct, or other set of
25 standards, as submitted by the investment manager or advisor to the
26 Financial Investment and Advisory Committee and the Board of
27 Trustees and accepted by both the Financial Investment and
28 Advisory Committee and the Board of Trustees, (i) governs the
29 professional behavior and expectations of owners, general partners,
30 directors or managers, officers, and employees of the investment
31 advisor, manager, custodian, or investment consultant; (ii) has

1 been adopted and implemented; and (iii) is effectively monitored
2 and enforced; and

3 (6) Policies of the Board concerning prohibited business
4 relationships among family members and other related parties have
5 been complied with.

6 (b) Any investment manager, advisor, custodian, or investment
7 consultant of the Police and Fire Pension Fund who has
8 discretionary authority for any investment of the Police and Fire
9 Pension Fund shall agree to disclose annually to the Financial
10 Investment and Advisory Committee and to the Board, no later than
11 the January 31 following the previous calendar year:

12 (1) Any known circumstances or situations that a prudent
13 person could expect to create an actual or potential conflict of
14 interest, including specifically (i) any material interests in or
15 with financial institutions with which officers and employees
16 conduct business on behalf of the Police and Fire Pension Fund, and
17 (ii) any personal financial or investment positions of the
18 investment manager, advisor, custodian, or investment consultant
19 that could be related to the performance of an investment program
20 of the Police and Fire Pension Fund over which the investment
21 manager, advisor, custodian, or investment consultant has
22 discretionary investment authority on behalf of the Police and Fire
23 Pension Fund; and

24 (2) All direct or indirect pecuniary interests that the
25 investment manager, advisor, custodian, or investment consultant
26 has in or with any party to a transaction with the Police and Fire
27 Pension Fund if the transaction is related to any discretionary
28 investment authority that the investment manager or advisor
29 exercises on behalf of the Police and Fire Pension Fund.

30 **Section 5. Article 22 of the Charter Amended.** As authorized
31 by Sections 175.061 and 185.05 Florida Statutes and the Charter of

1 the City of Jacksonville, Section 22.02 of the Charter of the City
2 of Jacksonville is amended to read as follows:

3 **ARTICLE 22. JACKSONVILLE POLICE AND FIRE PENSION BOARD OF**
4 **TRUSTEES.**

5 * * *

6 **Sec. 22.02. - Membership.**

7 (a) The membership of the Jacksonville Police and Fire Pension
8 Board of Trustees shall consist of five members, of whom two shall
9 be legal residents of the City of Jacksonville appointed by the
10 city council; one shall be a police officer elected by a majority
11 vote of the police officers who are members of the pension fund,
12 and one shall be a firefighter elected by a majority of the
13 firefighters who are members of the pension fund, and the last
14 shall be chosen by a majority of the previous four members. The
15 fifth member's name shall be submitted to the City Council, which
16 shall, as a ministerial act, appoint such person as the fifth
17 member of the board. Effective for all new appointments after July
18 1, 2005, each resident member shall serve as a trustee for a period
19 of 4 years, unless sooner replaced by the City Council at whose
20 pleasure he or she shall serve, and may succeed himself or herself
21 as a trustee. Effective for all elections after July 1, 2005, the
22 police officer and firefighter members shall serve as trustees for
23 a period of 4 years, unless they shall sooner leave the employment
24 of the city as a police officer or firefighter, whereupon the class
25 of employees whose elected representative has left office shall
26 elect a successor to fill the unexpired term of office as provided
27 for in this section. Each employee member may succeed himself or
28 herself in office. Members shall continue to serve until their
29 respective successors are appointed, elected, or selected. Trustees
30 chosen and appointed by the City Council, as well as any persons
31 selected as the fifth member of the Trustees by the other four

1 trustees, shall continue to be persons with professional financial
2 experience and/or public pension experience, governance experience,
3 institutional investment experience, community experience and
4 wisdom, or comparable professional training, knowledge, and
5 expertise. Trustees chosen and appointed by the City Council shall
6 not be a participant or be enrolled in a City of Jacksonville
7 pension, shall be limited to a maximum of two four year terms, and
8 shall have at least 10 years of professional financial experience.

9 * * *

10 **Section 6. Approval of 2015 Retirement Reform Agreement;**
11 **Authorization to Execute and Implement.**

12 There is hereby approved and the Mayor, or his designee, and the
13 Corporation Secretary are authorized to execute and deliver, for
14 and on behalf of the City, the 2015 Retirement Reform Agreement in
15 the form attached as **Exhibit 1**, and take, or cause to be taken, for
16 and on behalf of the City, such further action as is necessary to
17 effectuate the purpose of this Ordinance. The Agreement as set
18 forth in **Exhibit 1**, herein supersedes the terms of the existing
19 Police and Fire Pension Plan. It is intended that (1) rather than
20 having multiple agreements regarding Police and Fire Pension Fund
21 governance, administration, and benefits, there be one agreement,
22 i.e., the Agreement attached hereto as **Exhibit 1**, which
23 incorporates unchanged provisions of previous agreements regarding
24 Police and Fire Pension Fund governance, administration, and
25 benefits as well as all amended and additional provisions; (2)
26 there be no lapse either in time or effect between this plan and
27 such superseded plans; and (3) there be no lapse either in time or
28 effect between Ordinance 2015-__-E and Ordinances 2000-1164-E,
29 2003-303-E, 2003-1338-E, 2006-508-E.

30 **Section 7. Actuarial Impact Statement.** The actuarial impact
31 statement required by Section 112.63(3), Florida Statutes, as a

1 condition to any proposed change in retirement benefits, is
2 **attached as Exhibit 2.**

3 **Section 8. Interpretation.** Any Ordinance or part of any
4 Ordinance in conflict with the provisions hereof is repealed to the
5 extent of the conflict. Should any part of this Ordinance be held
6 invalid by a court of competent jurisdiction, the remainder of this
7 Ordinance shall continue in full force and effect and it shall be
8 presumed that this Ordinance was adopted without the invalid
9 provision.

10 **Section 9. Savings Clause.** The Agreement as set forth in
11 **Exhibit 1**, herein replaces and supersedes the terms of the existing
12 Police and Fire Pension Plan. It is intended that there be no
13 lapse either in time or effect between this plan and such
14 superseded plans. Any Ordinance or part of any Ordinance in
15 conflict with the provisions hereof is repealed to the extent of
16 the conflict and should any part of this Ordinance or Agreement
17 attached hereto as **Exhibit 1**, be held invalid by a Court of
18 competent jurisdiction, the remainder of this Ordinance and the
19 Agreement shall continue in full force and effect and it shall be
20 presumed that this Ordinance and the Agreement were adopted without
21 the invalid provision. In particular, should the term of the
22 attached Agreement be determined to be inconsistent with Section
23 447.309(5), *Florida Statutes*, and therefore invalid as applied to
24 one or more provisions of the attached Agreement, then the term of
25 those provisions of the attached Agreement shall be modified so
26 that the term of those provisions shall not exceed the requirements
27 of Section 447.309(5), *Florida Statutes*, or a term as adjudicated
28 by a court of competent jurisdiction and all other provisions shall
29 continue with such term as set forth in the Agreement. To the
30 extent that anything contained herein may be inconsistent with
31 state or federal law, such law will control.

1 **Section 10. Authorizing the Council Auditor's and General**
2 **Counsel's Office to make "Technical Amendments"**. The Council
3 Auditors and the General Counsel's Offices are authorized to take
4 all necessary action in connection with this legislation, to
5 execute the finalization and codification of the legislation to
6 effectuate the purposes of this Ordinance as recommended by the
7 Council Committees and enacted by Council, without further Council
8 action, provided such changes and amendments are limited to
9 "technical amendments" including updating division, and
10 departmental name changes throughout the code, and do not change
11 the fiscal impact or substantive provisions and, further provided,
12 that all such amendments shall be subject to appropriate legal
13 review and approval by the General Counsel, or designee, and all
14 other appropriate official action required by law.

15 **Section 11. Sunset.** Ordinance 2015-____-E shall sunset, be
16 repealed, be null and void, and be of no further effect if the
17 Police and Fire Pension Fund Board of Trustees does not approve and
18 execute the Agreement (**Exhibit 1**, as approved by 2015-____-E, on or
19 before _____, 2015.

20 **Section 12. Prospective Effective Date of Ordinance 2015-____-**
21 **E.** Notwithstanding the terms of Section 13, the provisions of this
22 Ordinance other than Sections 10 and 11, shall not become effective
23 until such time as implementation of a permanent funding source has
24 been advanced by the Mayor and enacted by Ordinance by the City
25 Council, that provides a minimum payment of \$40 million each year
26 for ten consecutive years, or an equivalent present value amount,
27 in addition to the City's annual required contribution to the
28 Police and Fire Pension Fund, to be used solely to reduce the
29 unfunded liability of the police and fire pension fund.

30 **Section 13. Effective Date.** This Ordinance shall become
31 effective upon signature by the Mayor or upon becoming effective

1 without the Mayor's signature.

2 Form Approved:

3

4

5 Office of General Counsel

6 Legislation Prepared By: Ashley B. Benson

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