

**2003-303-E**

1 Introduced by the Council President at the request of the Police  
2 and Fire Pension Board of Trustees:  
3

4  
5 **ORDINANCE 2003-303-E**

6 AN ORDINANCE PERTAINING TO THE POLICE AND  
7 FIRE PENSION PLAN; AMENDING SECTION 121.112,  
8 ORDINANCE CODE, PROVIDING FOR CERTIFICATIONS  
9 OF PENSION PAYROLL; AMENDING SECTION 121.104,  
10 ORDINANCE CODE, TO MODIFY THE STANDARDS FOR  
11 THE INTRODUCTION OF PROPOSED LEGISLATION;  
12 AMENDING SECTION 121.201, ORDINANCE CODE, TO  
13 MODIFY THE RATE OF ACCRUAL FOR VESTED  
14 RETIREMENT BENEFITS; AMENDING 121.208,  
15 ORDINANCE CODE, TO CLARIFY CERTAIN  
16 RESTRICTIONS UPON THE CONNECTION OF MILITARY  
17 TIME; AMENDING 121.209, ORDINANCE CODE, TO  
18 EXPAND THE RANGE OF ROLLOVER OPTIONS FOR DROP  
19 PARTICIPANTS; AMENDING SECTION 121.209,  
20 ORDINANCE CODE, TO PROHIBIT RETIREES WHO WERE  
21 FORMERLY ENROLLED IN THE DROP PROGRAM TO REJOIN  
22 MEMBERSHIP IN THE FUND; AUTHORIZING THE MAYOR  
23 AND CORPORATION SECRETARY TO EXECUTE A FIRST  
24 AMENDMENT TO THE RESTATED AGREEMENT BETWEEN THE  
25 CITY OF JACKSONVILLE AND THE JACKSONVILLE  
26 POLICE AND FIRE PENSION BOARD OF TRUSTEES;  
27 PROVIDING AN EFFECTIVE DATE.  
28

29 WHEREAS, the Board of Pension Trustees have identified  
30 certain language in the Ordinance Code that is in need of  
31 clarification and adjustment so as to improve technical clarity

1 and to address certain administrative provisions that are in  
2 need of revision; and

3 WHEREAS, as a part of this initiative, the Board of Pension  
4 Trustees wish to expand the range of rollover options available  
5 to DROP participants in accordance with certain provisions  
6 authorized by the enactment of the Economic Growth and Tax  
7 Relief Reconciliation Act of 2001; and

8 WHEREAS, the Board of Trustees additionally wish to codify  
9 certain administrative practices regarding the maintenance of an  
10 annual affidavit program requiring recipients to certify their  
11 continued eligibility to receive pension benefits; and

12 WHEREAS, the City has previously enacted Ordinance 2000-1164-E  
13 along with a Restated Agreement which was executed between the City  
14 and the Board of Pension Trustees of the Police and Fire Pension  
15 Fund; and

16 WHEREAS, Ordinance 2000-1164-E and the Restated Agreement  
17 failed to incorporate one aspect of the negotiated understandings  
18 between the parties relating to a three percent (3%) rate of  
19 accrual for vested retirement benefits; and

20 WHEREAS, the Board of Trustees additionally wish to clarify  
21 the prohibition of dual crediting of military time where such  
22 time has already been credited to the record of the member; and

23 WHEREAS, the Board of Trustees additionally wish to modify  
24 certain standards required in conjunction with the introduction  
25 of pension legislation; now therefore,

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

27 **Section 1.** Sections 121.104, 121.112, 121.201, 121.208  
28 and 121.209, *Ordinance Code*, are hereby amended, in part, to  
29 read as follows:

30

## CHAPTER 121

## POLICE AND FIREFIGHTERS PENSION PLAN

## PART 1. POLICE AND FIRE PENSION FUND ADMINISTRATION

\* \* \*

## Sec. 121.104 Review of proposed legislation.

Prior to the adoption of any proposed legislation concerning the Police and Fire Pension Fund, the legislation, whether in general or for an individual, shall be presented to the Board for review and comment. The Council shall consider such comments but shall not be bound by them. An actuarial report together with recommendations and comments from the State Division of Retirement shall accompany all proposed legislation concerning the Police and Fire Pension Fund before the last public hearing is held by the Council in conjunction with the legislation. ~~it is introduced into the Council for consideration.~~

\* \* \*

Sec. 121.112 Periodic physical examination may be required; cessation of pension; Annual Affidavit Program.

\* \* \*

(f) To safeguard the assets of the Fund, the Board is authorized to establish an Affidavit Program for the purpose of annually certifying the accuracy of the pension payroll. This program shall require from each pensioner and beneficiary, on an annual basis, the execution of a notarized Affidavit of Eligibility certifying that the recipient is entitled to continue receiving pension benefits. In the event that the pension recipient fails to provide the required affidavit of continued eligibility, the recipient shall be subject to the suspension of pension benefits in accordance with rules and regulations prescribed by the Board. Prior to the implementation

1 of final steps to terminate the payment of pension benefits, the  
2 Administrator shall schedule an administrative hearing for the  
3 purpose of allowing the recipient the opportunity to show cause  
4 as to why a termination of pension benefits should not be  
5 implemented.

6 \* \* \*

7 **PART 2. PENSION BENEFITS**

8 **Sec. 121.201 Retirement benefits.**

9 \* \* \*

10 (c) Vested retirement benefits.

11 (1) Members who terminate employment on or after the  
12 ~~effective date of this ordinance~~ April 1, 2001, with five or more  
13 years of credited service and are not otherwise eligible to retire,  
14 are eligible to receive either a deferred retirement benefit or ~~two~~  
15 ~~and one-half~~ three percent of the average salary received by the  
16 member for the fifty-two pay periods immediately preceding the date  
17 of vesting, for each year of credited service prior to the date of  
18 vesting, to commence on the date the member would have been  
19 eligible to receive minimum time service benefits or be paid a  
20 refund of one hundred percent of member contributions to the Plan  
21 without interest. Within thirty days of a member leaving the  
22 payroll prior to normal service retirement, the member must make  
23 the election in writing to either vest or the refund will be issued  
24 automatically. Acceptance of the refund of employee contributions  
25 constitutes an irrevocable waiver of all rights to benefits from  
26 the Plan.

27 \* \* \*

28 **Sec. 121.208 Purchase of wartime military service;**  
29 military leaves of absence.

30 \* \* \*

1 (b) Members of the Fund must apply for purchase of wartime  
2 military service and will be required to pay into the Pension  
3 Fund an amount equal to twenty percent of the base pay the  
4 member was earning on the date of application, to be paid as  
5 directed by the Board. Notwithstanding the provisions contained  
6 herein and in Section 116.501, Ordinance Code, no member of the  
7 Fund shall be entitled to receive time service credit for  
8 military service that was rendered during periods where the  
9 member has already earned time service credit for such period(s)  
10 while serving as an active contributing member of the Fund.

11 **Sec. 121.209 Deferred Retirement Option Program (DROP).**

12 \* \* \*

13 (c) Benefits payable under the DROP.

14 \* \* \*

15 b. Direct Rollover. All accrued DROP  
16 benefits, plus interest, shall be paid from the DROP directly to  
17 the custodian of an eligible retirement plan as defined in  
18 Section 402(c)(8)(B) of the Internal Revenue Code. However, in  
19 the case of an eligible rollover distribution to the surviving  
20 spouse of the deceased participant, an eligible retirement plan  
21 is an individual retirement account or an individual retirement  
22 annuity as described in Section 402(c)(9) of the Internal  
23 Revenue Code. For purpose of this subsection, an eligible  
24 retirement plan shall also mean an annuity contract described in  
25 section 403(b) of the Internal Revenue Code and an eligible plan  
26 under section 457(b) of the Internal Revenue Code which is  
27 maintained by a state, political subdivision of a state, or any  
28 agency or instrumentality of a state or political subdivision of  
29 a state which accepts rollovers and which agrees to separately  
30 account for amounts transferred into such plan from this plan.  
31 However, in the case of an eligible rollover distribution to the

1 surviving spouse of the deceased participant, an eligible  
2 retirement plan is an individual retirement account or an  
3 individual retirement annuity as described in Section 402(c)(9)  
4 of the Internal Revenue Code.

5 \* \* \*

6 (g) DROP rescission for elected or appointed officials. The  
7 irrevocable nature of DROP participation shall not apply in the  
8 case of a DROP participant who becomes an elected or appointed  
9 official with such member being granted the option of rescinding  
10 DROP participation. In such event of DROP rescission, the elected  
11 or appointed official shall be granted pension service credit for  
12 DROP participation periods, the city shall be assessed the amount  
13 of city contributions that otherwise would have been remitted to  
14 the Fund by the city during the DROP period, the member will be  
15 required to make the contributions in accordance with the  
16 provisions of section 121.113, and the retirement leave account  
17 frozen and removed pursuant to section 8 of Ordinance 97-1103-E  
18 shall be restored. All deposits plus interest into the DROP account  
19 will revert to the fund. Such appointed and elected officials shall  
20 be permitted to re-enroll into the DROP at a later date. However,  
21 members who were former DROP participants and who retired while in  
22 such status shall not be eligible to rejoin membership into the  
23 Fund.

24 \* \* \*

25 Section 2. The Mayor and Corporation Secretary are  
26 authorized to execute on behalf of the City of Jacksonville a First  
27 Amendment to the restated Agreement between the City of  
28 Jacksonville and the Jacksonville Police and Fire Pension Board of  
29 Trustees, in substantially the form attached hereto as Exhibit A  
30 and made a part hereof.

1           Section 3.       Effective Date. This ordinance shall become  
2 effective upon signature by the Mayor or upon becoming effective  
3 without the Mayor's signature.  
4

5 Form Approved:

6   
7 \_\_\_\_\_

8 Office of General Counsel

9 Legislation Prepared By: John Keane, Administrator

10                                   Police and Fire Pension Fund

11 4/9/2003 G:\shared\LEGIS.CC\2003\Ord\2003-303-E.doc



**FIRST AMENDMENT TO THE RESTATED AGREEMENT BETWEEN  
THE CITY OF JACKSONVILLE AND  
THE JACKSONVILLE POLICE AND FIRE PENSION BOARD OF TRUSTEES**

This First Amendment to the Restated Agreement made and entered into in duplicate this \_\_\_\_\_ day of \_\_\_\_\_, 2003, by and between and among the City of Jacksonville and the Jacksonville Police and Fire Pension Board of Trustees.

**WITNESSETH:**

WHEREAS, on February 13, 2001, the City Council enacted Ordinance 2000-1164-E, which among other things, authorized the execution of the Restated Agreement which was attached to Ordinance 2000-1164-E as Exhibit A; and

WHEREAS, the language in Section 11(j) of the Restated Agreement did not adequately provide clarification that the flat three percent rate of accrual for each of the first twenty years of service was applicable to vested retirement benefits as well as time service retirement.

WHEREAS, the parties wish to authorize a mechanism that would allow for the advance of funds from the Enhanced Benefit Account to the City Budget Stabilization Account under certain conditions.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree to undertake the enactment of amendments described as follows:

Section 1. Paragraph 5 of Article IV is amended to read as follows:

5. The parties agree to the creation and establishment of the City Budget Stabilization Account (CBSA) effective April 1, 2000. The original balance in such account on April 1, 2000 shall be \$28,837,723. The City may use monies in the CBSA to help meet the City Funding Requirements for periods subsequent to March 31, 2000, in lieu of additional City contributions;

however, the use of the CBSA shall be limited to an amount equivalent to 3.75% of Valuation Payroll through fiscal year ending 2004 and to 3.25% of Valuation Payroll thereafter until the UAAL is fully amortized, plus an amount equivalent to the amortization of any net actuarial loss per year. The Board shall submit an annual report to City Council and the Council Auditors on the beginning balance, additions, deductions and ending balance of the CBSA. This shall be submitted as part of the Board's annual financial statements. In the event that the value of the CBSA is insufficient to address the required level of City Funding Requirements during any fiscal year, the amount of any such insufficiency, up to \$1,500,000, may be addressed at the election of the City pursuant to an advance to the CBSA from surplus balances that may be available within the Enhanced Benefit Account (EBA); provided, however, that any such advances from the EBA shall not jeopardize the financial ability of the EBA to grant the Post-Retirement Enhancement which is traditionally granted in December of odd-numbered years. Any such advances that are made as of the end of any fiscal year shall be returned to the EBA by June 30<sup>th</sup> of the subsequent fiscal year. Any earnings credits or assessments than may be associated with the advance of funds from the EBA to the CBSA shall be assigned to the EBA in conjunction with the Plan Actuary's annual valuation of the EBA and the CBSA.

Section 2. Paragraph 11(j) of Article VII is amended to read as follows:

(j) It is agreed that Base Benefits shall be amended to include the following categories of benefits for period subsequent to March 31, 2000:

1. Twenty (20) year retirement element of Ordinance 91-1017-605
2. Immediate COLA Benefit
3. DROP element of Ordinance 97-1103-E
4. Modifications to the benefit formula increasing the rate of accrual from 2.8% to 3% per year of service for over the first 20 years of service, with 2%

thereafter to a maximum of 80% at 30 years of service rather than 32 years  
and re-establishing the accrual rate for vested retirement benefits at 3% (for  
implementation effective April 1, 2001).

IN WITNESS WHEREOF, The authorized representative of the parties have affixed their  
signatures this \_\_\_\_ day of \_\_\_\_\_, 2003.

Signed, sealed and delivered  
in the presence of:

**CITY OF JACKSONVILLE**

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

**BOARD:  
JACKSONVILLE POLICE AND FIRE  
PENSION FUND BOARD OF TRUSTEES**

By: \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

Attest: \_\_\_\_\_  
Administrator

Jacksonville City Council

Regular Session

03-303

RCS# 1753  
4/08/2003  
8:18 PM

Amend-Approve

Yea: 15      Nay: 0      Abs 0      Not Voting: 0      Excused: 4      PASSED

Yea: 15

Pres. Holland	Brown	Jenkins	Rustin
Daniels	Carter	L-Felder	Self
Southwell	Fullwood	Overton	Yates
Alvarez	Hipps	Ray	

Nay: 0

Abs 0

Not Voting: 0

Excused: 4

Holzendorf	Chandler	Soud	Carlucci
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ORDINANCE 2003-303-E

CERTIFICATE OF AUTHENTICATION

ENACTED BY THE COUNCIL

APRIL 8, 2003

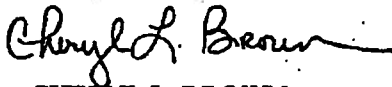


JERRY HOLLAND  
COUNCIL PRESIDENT

ATTEST:

APR 11 2003

APPROVED: \_\_\_\_\_



CHERYL L. BROWN  
COUNCIL SECRETARY



JOHN A. DELANEY, MAYOR

