

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF HOLLYWOOD, FLORIDA, AMENDING THE SUBCHAPTER OF CHAPTER 33 OF THE CODE OF ORDINANCES TITLED "POLICE OFFICER'S RETIREMENT SYSTEM"; INCORPORATING VARIOUS CHANGES TO THE RETIREMENT SYSTEM CONTAINED IN THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE BROWARD COUNTY PBA AND THE CITY OF HOLLYWOOD, INCLUDING CHANGES RELATING TO MEMBERSHIP, ELIGIBILITY, NORMAL RETIREMENT BENEFIT, AND THE RESOLUTION OF ISSUES RELATED TO THE CITY'S REDUCTION OF PENSION BENEFITS IN 2011; FURTHER AMENDING CHAPTER 33 BY REMOVING OUTDATED AND OBSOLETE PROVISIONS.

WHEREAS, the Broward County PBA and the City of Hollywood, Florida, have negotiated a Collective Bargaining Agreement for the period commencing October 1, 2018 and terminating September 30, 2021; and

WHEREAS, included in the agreement are changes to the Police Officer's Retirement System; and

WHEREAS, to make the changes to the pension plan official, it is necessary to incorporate them into the Code of Ordinances; and

WHEREAS, Section 33.138 of the City's Code of Ordinances requires, as one of the two alternative procedures to amend the police officers' pension plan, approval by a 5/7 vote of the City Commission and 50% plus one of the active members of the police officers' pension plan; and

WHEREAS, prior to the adoption of this Ordinance on second reading, 50% plus one of the active members of the police officers' pension plan approved the amendments contained in this Ordinance.

Coding: Words and figures underscoring are additions to existing text; words and figures ~~struck through~~ are deletions from existing text.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That the foregoing "WHEREAS" clauses are ratified and confirmed as being true and correct and are incorporated in this Ordinance.

Section 2: That Section 33.125 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

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CHAPTER 33: CITY EMPLOYEES

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POLICE OFFICER'S RETIREMENT SYSTEM

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§ 33.125 ESTABLISHMENT; PURPOSE.

(4) There is hereby established a Police Officer's Retirement System comprising a comprehensive amended retirement plan for the Police Officers of the city. The purpose of this plan is to establish amended terms and conditions under which retirement benefits will be provided to eligible employees of the city. The benefits under the plan shall be in addition to amounts received as Federal Social Security benefits, and shall also be in addition to benefits received by any member from any other private or public retirement system.

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~~(2) The benefit structure in effect on September 30, 2011 is frozen at midnight on that date. All members will be vested in benefits accrued to that date and payable under the terms and conditions of plan provisions then in effect. No additional benefits of any kind shall accrue; provided, however, that for any member who is eligible to retire with normal retirement benefits on September 30, 2011, the benefit structure in effect on September 30, 2011 shall remain in effect beyond September 30, 2011 and shall not be frozen, except that any such member who does not enter the DROP on or before September 30, 2011 shall not be eligible to enter the drop after September 30, 2011 and no such member shall be an eligible person under § [33.136](#)(N) below regarding supplemental pension distributions. Effective October 1, 2011, all members who are~~

not eligible to retire with normal retirement benefits on September 30, 2011 are subject to a new benefit structure applicable to future service as herein set forth.

Section 3: That Section 33.126 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

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CHAPTER 33: CITY EMPLOYEES

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POLICE OFFICER'S RETIREMENT SYSTEM

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§ 33.126 DEFINITIONS.

For the purpose of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

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AVERAGE FINAL COMPENSATION. For purposes of Group One Restored Members and Group Two Restored Members only, average final compensation shall include the average of the member's highest three years of earnings preceding the actual retirement or termination date of such member. For purposes of Group Three Members only, average final compensation shall include the arithmetic average of earnings for the 60 highest consecutive months of the last 120 months of credited service prior to retirement, termination or death.

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AVERAGE MONTHLY EARNINGS. ~~One twelfth of the arithmetic average of earnings for the highest three years preceding the actual retirement or termination date of a member. Effective June 7, 2006, one twelfth of the arithmetic average of earnings for the highest three 12-month measurement periods preceding the actual retirement or termination date of a member, excluding, in the determination of the highest three 12-month measurement periods and calculation of the arithmetic average of earnings, pay for overtime in excess of 400 hours for each 12-month measurement period. The definitions of **AVERAGE FINAL COMPENSATION** set forth above are frozen at midnight on September 30, 2011. Under the benefit structure effective October 1, 2011, **AVERAGE FINAL COMPENSATION** means the arithmetic average of earnings~~

for the 60 highest consecutive months of the last 120 months of credited service prior to retirement, termination, or death.

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CONTINUOUS SERVICE. Uninterrupted service by a member (expressed as years and completed months) from the date the member ~~he~~ last entered employment as a Police Officer until the date the member's ~~his~~ employment shall be terminated by death, retirement or discharge, provided however, the continuous service of any member shall not be deemed to be interrupted by:

* * *

EARNINGS. For purposes of Group One Restored Members and Group Two Restored Members only, Earnings, also referred to as "compensation", shall be the sum of the following amounts actually paid to a member: salary; overtime pay; longevity pay; assignment pay; payments for accrued holiday time; payments for accrued blood time; annual "cash-out" payments for accrued vacation time; and payments for accrued compensatory time. Earnings shall not include payments for unused sick time or for unused vacation time which is paid upon retirement or termination. shall include salary, overtime pay not to exceed 300 hours per year, longevity pay, assignment pay, payments for accrued holiday time, payments for accrued blood time, and payments for accrued compensatory time, but shall not include payments for unused sick time or for unused vacation time. For purposes of Group Three Members only, The definition of earnings set forth above is frozen at midnight on September 30, 2011. Under the benefit structure effective October 1, 2011, earnings shall be the sum of the following amounts actually paid to a member: salary; longevity pay; and assignment pay, but - Earnings shall not include overtime pay, payments for accrued holiday time, payments for accrued blood time, annual "cash-out" payments for accrued vacation time, payments for accrued compensatory time, and payments for unused sick time or for unused vacation time which is paid upon retirement or termination. For purposes of Group One Restored Members and Group Two Restored Members only, the definition of earnings shall include salary, overtime pay not to exceed 300 hours per year, longevity pay, assignment pay, payments for accrued holiday time, payments for accrued blood time, and payments for accrued compensatory time, but shall not include payments for unused sick time or for unused vacation time.

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Group One Restored Members. Category consisting of members employed on _____ who were hired on or before September 30, 2011 and will be eligible to retire on or before September 30, 2020 based on a normal retirement date of age 50 or 22 years of continuous service.

Group Two Restored Members. Category consisting of members employed on _____

who were hired on or before September 30, 2011 and will not be eligible to retire until after September 30, 2020 based on a normal retirement date of age 50 or 22 years of continuous service.

Group Three Members. Category consisting of members who were hired after September 30, 2011.

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SPOUSE or WIDOW(ER). The lawfully wedded wife or husband of a member of the Police Department at the time of the member's ~~his~~ death.

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Section 4: That Section 33.128 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

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CHAPTER 33: CITY EMPLOYEES

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POLICE OFFICER'S RETIREMENT SYSTEM

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§ 33.128 NORMAL RETIREMENT.

~~(A) Normal retirement date. A member may retire on the first day of the month coincident with or next following the attainment of age 50 or on the first day of the month coincident with or next following the completion of 25 years of creditable service. Effective June 7, 2006, a member may retire on the day he or she attains age 50 or completes 22 years of creditable service. A member hired prior to October 1, 2011 with less than ten years of credited service as of September 30, 2011 and a member hired on or after October 1, 2011 may retire on the day he or she attains age 55 and completes ten years of creditable service or on the day he or she attains age 52 and completes 25 years of creditable service. A member with 10 or more years of creditable service as of September 30, 2011 shall retain his or her current normal retirement date. For Group One Restored Members and Group Two Restored Members, a member may retire at the normal retirement date of age 50 or upon completion of 22 years of continuous service. For Group Three Members, a member may retire at the normal retirement date of age 55 with 10 years of continuous service~~

or upon completion of 22 years of continuous service.

(B) *Normal retirement benefit.*

(1) Amount.

~~(a) — The monthly retirement benefit shall be an amount equal to 3% of average monthly earnings times years and completed months of continuous service, up to September 30, 2011, not exceeding 20 years plus 4% of average monthly earnings times years and completed months of continuous service, up to September 30, 2011, after 20 years. Effective June 7, 2006, upon completion of 22 years of continuous service prior to October 1, 2011, a member shall be provided an accrued benefit of 80% of average monthly earnings (equivalent to three years of continuous service deemed earned at a 4% accrual rate). Effective on July 17, 2013, a member who neither retires nor enters the DROP prior to that date and who was vested with ten or more years of creditable service on or before September 30, 2011, but not eligible to retire with normal retirement benefits on September 30, 2011, shall be provided an accrual rate of 3.3% for years and completed months of continuous service, up to September 30, 2011, including years and completed months of continuous service in excess of 20 years. Effective September 16, 2015, for each year of continuous service completed prior to October 1, 2011, an additional 0.3% shall be added to the accrual rate of a member who neither retires nor enters the DROP prior to September 16, 2015, and who was not vested with ten or more years of continuous service on September 30, 2011. The maximum normal retirement benefit payable to a member whose accrued benefit as of June 7, 2006, is not in excess of 80% of average monthly earnings shall not exceed 80% of average monthly earnings, and the maximum normal retirement benefit payable to a member whose accrued benefit as of June 7, 2006, is in excess of 80% of average monthly earnings shall not exceed the member's accrued benefit as of June 7, 2006.~~

~~(b) — Under the benefit structure effective October 1, 2011, the monthly retirement benefit for a member who retires or enters the DROP prior to July 17, 2013, shall equal 2.0% of average monthly earnings times years and completed months of continuous service earned on or after October 1, 2011, up to a maximum benefit equal to the net result of subtracting from 80% the sum of (i) the product of 3% times the number of years of continuous service, not exceeding 20 years, earned up to September 30, 2011, and (ii) the product of 4% times the number of years of continuous service, in excess of 20 years, earned up to September 30, 2011; provided, however, that if the member retires before attaining age 62, an additional benefit equal to 0.5% of average monthly earnings times continuous service on and after October 1, 2011, shall be paid up to age 62. Under the benefit structure effective October 1, 2011, the monthly retirement benefit for a member who neither retires nor enters the DROP prior to July 17, 2013, shall equal 3.0% of average final compensation for each year of creditable service on or after October 1, 2011, up to a maximum benefit equal to the net result of subtracting from 80% the applicable total percent accrued for the number of~~

years of continuous service earned up to September 30, 2011.

(a) Group One Restored Members: Effective _____, the following pension benefits in effect on September 30, 2011 will be restored to Group One Restored Members as specifically provided in the following subsections:

1. A 3% multiplier for the first 20 years of continuous service, a 4% multiplier for the 21st year of continuous service, and upon completion of 22 years of continuous service, an accrued benefit of 80% of average final compensation;

2. Group One Restored Members employed on _____ who did not participate in the deferred retirement option plan ("DROP" plan) shall receive a 2% annual increase in benefits commencing three years after the date retirement benefits begin. Group One Restored Members employed on _____ who participated in the DROP plan shall receive a 2% annual increase in benefits commencing upon the later of (i) separation of employment and (ii) three years after the member entered the DROP plan;

3. Only those Group One Restored Members employed on _____ and participating in either the DROP plan or the reformed planned retirement benefit on _____ shall be eligible for the supplemental pension distribution under section 33.136(N) below;

4. A maximum normal retirement benefit of 80% of average final compensation;

5. Eligibility to participate in the DROP plan, with the Group One Restored Member to select an entry date on or after the day the member attained (or attains) age 50 or completed (or completes) 22 years of continuous service, subject to the existing limitation of 30 years of service with the City. Any member who attained age 50 or completed 22 years of continuous service before _____ and who was not already participating in the reformed planned retirement benefit before _____, who wants to participate retroactively in the DROP plan, must submit his/her irrevocable written election/decision within 60 days after _____ to participate retroactively in the DROP plan starting on or after the date the member attained age 50 or 22 years of continuous service. Any member who attained age 50 or completed 22 years of continuous service before _____ and who was already participating in the reformed planned retirement before _____ and who wants to change from the reformed planned retirement benefit to the DROP plan must submit his/her irrevocable written election/decision within 60 days after _____ to change retroactively his/her participation to the DROP plan starting on or after the date the member attained age 50 or 22 years of continuous service. No member shall receive any benefits from both the DROP and the reformed planned retirement benefit; and

6. Group One Restored Members with ten or more years of continuous service shall be eligible to receive a vested benefit commencing upon attainment of age 50.

(b) Group Two Restored Members: Effective October 1, 2020, the following pension benefits in effect on September 30, 2011 will be restored to Group Two Restored Members as specifically provided in the following subsections:

1. A 3% multiplier for the first 20 years of continuous service, a 4% multiplier for the 21st year of continuous service, and upon completion of 22 years of continuous service, an accrued benefit of 80% of average final compensation;

2. Group Two Restored Members employed on _____ who do not participate in the DROP plan shall receive a 2% annual increase in benefits commencing three years after the date retirement benefits begin. Group Two Restored Members employed on _____ who participate in the DROP plan shall receive a 2% annual increase in benefits commencing upon the later of (i) separation of employment and (ii) three years after the member entered the DROP plan;

3. A maximum normal retirement benefit of 80% of average final compensation;

4. Eligibility to participate in the DROP plan, with the Group Two Restored Member to select an entry date on or after the day the member attained or attains age 50 or completed or completes 22 years of continuous service, subject to the existing limitation of 30 years of service with the City. Upon reaching a normal retirement date, a Group Two Member may elect to participate in the reformed planned retirement benefit as an alternative to choosing DROP plan participation, but cannot participate in both. The Member's decision shall be irrevocable; and

5. Group Two Restored Members with ten or more years of continuous service shall be eligible to receive a vested benefit commencing upon attainment of age 50.

(c) Group Three Members: Effective October 1, 2020, the following pension benefits changes will be made for Group Three Members as specifically provided in the following subsections:

1. Maintain the 3% multiplier for the first 21 years of continuous service but allow Group Three Members to retire upon completion of 22 years of creditable service at an accrued benefit of 75% of their average final compensation.

2. A maximum normal retirement benefit of 75% of average final compensation; and

3. Increase the maximum participation period for Group Three Members in the reformed planned retirement benefit from five years to eight years at any time upon attainment of normal retirement date as defined in section 33.128(A), subject to the other existing limitation of 30 years of service with the City.

(d) Earnings in the DROP plan account of all members hired on or before September 30, 2011 shall be one of the following options: (1) the variable rate of return, which for any month shall be the actual net rate of investment gain or investment loss on the Retirement System's assets for the month, determined as of the last day of the month, reduced in the event of a net investment gain or increased in the event of a net investment loss by an administrative fee determined by the Board; or (2) 6% per year, minus administrative costs; provided, however, if plan earnings exceed 6% per year, earnings in excess of 6% per year and not in excess of 12% per year shall offset the City's cost of maintaining the DROP plan program, and plan earnings in excess of 12% per year shall be equally divided between the DROP participant and the City.

(e) Increase the employee contribution rate for all Group One Restored Members, Group Two Restored Members and Group Three Members to 9.5%, effective with the first full pay period that starts on or after . Upon entry into the DROP plan, Group One Restored Members and Group Two Restored Members shall cease making employee contributions. Upon entry into the reformed planned retirement benefit, Group Three members shall contribute either the employee's contribution rate as provided elsewhere in this subchapter or 0.5% of the member's earnings until termination of employment.

(f) Allow in-service distributions to retired police officers who are re-hired on a part-time basis, as permitted by the Internal Revenue Code and Treasury Regulations. In such event, the re-hired part-time police officer will not earn additional service credit in the Plan but will continue to be paid the member's normal retirement benefit.

(ge) Anything to the contrary herein notwithstanding, a member's accrual rate shall not be less than 2% per year of continuous service.

(2) Duration, survivor, benefits. ~~Effective October 2000, a~~ A member retiring hereunder on ~~the member's his or her~~ normal retirement date shall receive a monthly benefit which shall commence with ~~the member's his or her~~ normal retirement date and be continued thereafter during ~~the member's his or her~~ lifetime as follows:

* * *

(D) *Pre-retirement death.*

* * *

(3) Non-service incurred death within less than ten years of service. A death benefit shall be payable in behalf of any member having less than ten years of continuous service who is killed or dies within five years from causes not related to performance of duty. ~~Effective October 1, 2000, t~~The benefits shall be payable as follows:

* * *

(c) If the member is not married at the time of his or her death, the member has no surviving children, and the member fails to designate a beneficiary, then a monthly benefit equal to 25% of the member's earnings at the time of death shall be paid to the member's estate for a period of ten years.

* * *

(E) *Deferred retirement option plan ("DROP" plan).* A DROP plan is to be created and administered by the Board of Trustees of the Police Officer's Retirement System at no cost and with no liability to the city. ~~Effective June 7, 2006, a member may enter into the DROP on the day he or she attains age 50 or completes 22 years of creditable service. A member who elects to enter the DROP plan shall have no recourse against the city for any claims with respect to the DROP payments or the DROP plan. Group One Restored Members and Group Two Restored Members A member, hired on or before September 30, 2009, who elect~~ elects to enter the DROP plan shall have the option to receive one of the following:

(1) the variable rate of return, which for any month shall be the actual net rate of investment gain or investment loss on the Retirement System's assets for the month, determined as of the last day of the month, reduced in the event of a net investment gain or increased in the event of a net investment loss by an administrative fee determined by the Board; or

(2) 6% per year, minus administrative costs; provided, however, if plan earnings exceed 6% per year, earnings in excess of 6% per year and not in excess of 12% per year shall offset the City's cost of maintaining the DROP plan program, and plan earnings in excess of 12% per year shall be equally divided between the DROP participant and the City. a rate of return on his or her DROP account that is equal to the assumed rate of investment return on fund assets. In the case of a member hired on or after October 1, 2009, his or her DROP account shall earn interest at the rate of 6% per year. In the event the plan earning exceed 6% per year, the earnings in excess of 6% up to and including 12% per year shall offset the city's cost of maintaining the DROP program. Earnings in excess of 12% per year shall be equally divided between the DROP participant and the city.

The maximum period of participation in the DROP plan for members who enter the DROP plan ~~after June 7, 2006~~, shall be the lesser of 8 years or that period of participation in the DROP plan that would result in a total of 30 years of employment with the city. The city employment of each member who elects to participate in the DROP plan after June 7, 2006, shall terminate not later than the end of his or her maximum period of participation in the DROP plan. ~~A member who does not enter the DROP prior to October 1, 2011, shall not be eligible to participate in the DROP.~~

~~(F) *Purchase of additional benefits.* Effective June 7, 2006, a member who has completed 10 or more years of continuous service and who retires or enters the DROP plan after attaining age 50 shall be allowed to purchase additional pension benefits equal to the lesser of 8% of average monthly earnings or that percent of average monthly earnings that, consistent with division (B)(1) above, would result in a total benefit of 80% of average monthly earnings. The full actuarial cost of these additional benefits shall be paid by the member so that there is no cost to the city or the system.~~

~~(E-G)~~ *Planned retirement benefit; reformed planned retirement benefit.*

(1) There is hereby created a benefit to be known as the planned retirement benefit. The planned retirement benefit, as described below, will be retroactive to October 1, 2011, but any member who retires or enters the DROP prior to July 17, 2013, will not be eligible for this benefit. Effective September 16, 2015, there is hereby created a benefit to be known as the reformed planned retirement benefit.

(2) For Group Three Members, ~~in~~ in order to be eligible for the planned retirement benefit, a member must submit a written election, on a form created for this purpose, declaring the member's intent to participate in the planned retirement benefit at any time on or after reaching the member's normal retirement date, as defined in § 33.128(A), ~~but not later than the later of September 15, 2013, and 60 days after reaching the member's normal retirement date; provided, however, that in no event shall such form be submitted later than September 15, 2015.~~ Effective September 16, 2015, in order to be eligible for the reformed planned retirement benefit, a member must submit a written election, on a form created for this purpose, declaring the member's intent to participate in the reformed planned retirement benefit at any time on or after reaching the member's normal retirement date, as defined in § 33.128(A). The form will identify the maximum number of years the member may participate in the planned retirement benefit and the member's latest employment termination date based on the maximum number of years identified. The form to participate in the reformed planned retirement benefit will also require the member to make an irrevocable election of one of the following two options:

(a) During the period of participation in the reformed planned retirement benefit, continuation of contribution at the member's contribution rate as established in this subchapter equal to 8% of the member's earnings until termination of employment, and upon termination, election of one of the three options regarding how the member

wishes to receive the reformed planned retirement benefit earned (identical to the three options that are provided for the planned retirement benefit in ~~division (G)(5)~~ below); or

(b) During the period of participation in the reformed planned retirement benefit, contribution equal to 0.5% of the member's earnings until termination of employment, and upon termination, taking of a lump sum that would be valued based on the number of years the member worked after electing to participate in the planned retirement benefit, reformed planned retirement benefit, or combination of both (or the number of years for which the member elects to receive benefits under division ~~(EG)(3)(b)~~ below).

~~(3) Effective September 16, 2015, a member participating in the planned retirement benefit shall no longer be deemed to be participating in the planned retirement benefit but shall automatically be deemed, for all purposes, to be participating in the reformed planned retirement benefit. Such member shall make the irrevocable election described above not later than November 16, 2015. If the member elects option (b), he or she shall also make an irrevocable election, not later than November 16, 2015, of one of the three options that are provided for the planned retirement benefit in division (G)(5) below for the time he or she spent in planned retirement. If the member elects to take any portion of the planned retirement benefit as a lump sum upon termination, he or she shall receive a refund equal to 7.5% of his or her earnings (8% - 0.5%) for the time he or she spent in planned retirement that he or she elects to take as a lump sum upon termination. In addition, if the member elects option (b), the reduction of his or her contribution from 8% to 0.5% shall commence in the second full pay period after November 16, 2015.~~

~~(34) A member who elects to participate in the planned retirement benefit or the reformed planned retirement benefit shall not exceed 30 years of service with the city, including any time participating in the planned retirement benefit and/or the reformed planned retirement benefit. A member may terminate employment any time prior to reaching the earlier of the maximum participation period for the planned retirement benefit and/or the reformed planned retirement benefit, as noted below, or 30 years of service with the city.~~

~~(a) A member with ten or more years of creditable service as of September 30, 2011, may participate in the planned retirement benefit, the reformed planned retirement benefit, or a combination of both, for a maximum of eight years.~~

~~(b) A Group Three Member member with less than ten years of creditable service as of September 30, 2011, may participate in the planned retirement benefit, the reformed planned retirement benefit, or a combination of both, for a maximum of eight five years.~~

~~4. A member covered by this division ~~(EG)(34)(b)~~ who reaches the member's his/her normal retirement date upon completion of more than 24 years but~~

not more than 30 years of service with the city may, upon termination of employment, elect to receive benefits under the planned retirement benefit, the reformed planned retirement benefit, or a combination of both, for a period of not more than eight five years.

~~2. A member covered by this division (G)(4)(b) who reaches his/her normal retirement date upon completion of more than 30 years of service with the city will be granted a limited exception to the maximum of 30 years of service with the city generally applicable to participants in the planned retirement benefit or the reformed planned retirement benefit. Under this exception, the member may participate in the planned retirement benefit or the reformed planned retirement benefit until he/she reaches his/her normal retirement date, at which time he/she may elect to receive benefits under the planned retirement benefit or the reformed planned retirement benefit for a period of not more than five years.~~

(45) (a) When a member who has participated in the planned retirement benefit, but has not participated in the reformed planned retirement benefit, terminates employment, the member shall elect how he or she wishes to receive the planned retirement benefit earned. The member may choose to take (i) a maximum lump sum payment that would be valued based on the number of years the member worked after electing to participate in the planned retirement benefit (or the number of years for which the member elects to receive benefits under division (EG)(34)(b) above); (ii) a larger final pension annuity payment (meaning a larger annuity than that earned prior to electing to participate in the planned retirement benefit) based on the number of years the member worked after electing to participate in the planned retirement benefit (or the number of years for which the member elects to receive benefits under division (EG)(34)(b) above); or (iii) any combination of a lump sum payment and larger annuity by dividing the years worked after electing to participate in the planned retirement benefit (or the number of years for which the member elects to receive benefits under division (EG)(34)(b) above) between a lump sum payment and larger annuity payments. Any lump sum payment must be paid out to the member at termination (i.e., it cannot be left in the pension plan).

(b) Upon termination of employment, a member who, at the beginning of his or her period of commencement in the reformed planned retirement benefit, made the irrevocable election to take his or her benefit in a lump sum upon termination will be allowed to leave the lump sum in the pension plan. The pension plan's actual investment rates of return (whether positive or negative) shall be applied to the lump sum for as long as any portion thereof remains in the pension plan. For as long as any portion of the lump sum remains in the pension plan, the member shall pay a fee, in an amount to be determined by the Board, for the administrative cost of managing the lump sum, or portion thereof, that remains in the plan.

(56) While participating in the planned retirement benefit, a member shall continue making his/her applicable employee contributions, as provided in the pension plan, until termination of employment. While participating in the reformed planned

retirement benefit, a member shall make his or her applicable employee contributions, as provided in the pension plan, until termination of employment.

(~~67~~) Any member who has reached his or her normal retirement date, and has submitted the written election form to participate in the planned retirement benefit or the reformed planned retirement benefit, shall maintain the right to participate in the planned retirement benefit or the reformed planned retirement benefit up to the date on which the maximum period applicable to the member has been reached or employment has terminated pursuant to the terms of the planned retirement benefit or the reformed planned retirement benefit, as provided in this section, and no amendment to the pension plan may alter this right.

(~~78~~) For any member who reached his/her normal retirement date between October 1, 2011, and July 17, 2013, the time such member worked between his/her normal retirement date (on or after October 1, 2011) and the date the member submits the planned retirement benefit election form may be included in the employee's planned retirement benefit participation period, provided the member shall not exceed the maximum period of participation set forth in ~~division (G)(4)~~ above.

(~~89~~) The lump sum payment, if elected, shall be calculated based upon the monthly values of the member's final pension annuity benefit determined using the employee's creditable service, average final compensation, and multiplier, as provided in the pension plan as of the beginning of the elected planned retirement benefit participation period or the elected reformed planned retirement benefit participation period, plus earnings on such amounts as provided in ~~division (EG)(940)~~ below, subject to the limitations under ~~division (EG)(1044)~~ below.

(~~940~~) Investment earnings applicable to any lump sum payment shall be calculated in arrears using the net investment rate earned by the pension fund on its net assets for each month of creditable service worked during the planned retirement benefit participation period or reformed planned retirement benefit participation period, and applied to the prior pension annuity balance including all prior months of creditable service, including prior monthly earnings. The investment earnings shall be compounded monthly to determine the amount of investment earnings to be credited during each year of the planned retirement benefit participation period or reformed planned retirement benefit participation period. The aggregate value of the monthly investment earnings calculations will determine the amount of investment earnings to be credited for the planned retirement benefit participation period or reformed planned retirement benefit participation period. The investment earnings credited to said member will be net of the investment earnings retained by the pension fund per ~~division (EG)(1044)~~ below.

(~~1044~~) The procedures established in this paragraph shall apply to the planned retirement benefit, but not to the reformed planned retirement benefit. With regard to any plan earnings calculated into the member's lump sum payment, there

shall be no losses counted in those years for which the plan return is negative, and no investment earnings will be credited for such negative years. In any year for which plan earnings are greater than 4% (applied monthly at the rate of 0.327%), the next 2% (applied monthly at the rate of 0.165%) of plan earnings (i.e., the annual earnings between 4% and 6%) shall be excluded from the member's lump sum payment and retained by the pension plan to offset unfunded liabilities. All earnings in excess of 6% will be split equally between the member and the plan until the plan is 90% funded, at which time the split of earnings in excess of 6% will end and earnings in excess of 6% will be kept by the member (but earnings between 4% and 6% will continue to remain in the plan to offset unfunded liabilities). The split of earnings in excess of 6% will resume if the funding of the plan drops below 90%.

(1142) If an eligible member who is participating in the planned retirement benefit or reformed planned retirement benefit dies during the member's ~~his/her~~ planned retirement benefit participation period or reformed planned retirement benefit participation period, then the member's designated beneficiary ~~(per §§ 33.128(D)(1) and 33.127(B) and (C))~~ or, if there is no designated beneficiary, then the member's estate ~~(per § 33.128(D)(1))~~ shall make the election provided in ~~division (G)(4)~~ above with respect to the planned retirement benefits earned or reformed planned retirement benefits earned.

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Section 5: That Section 33.130 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

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CHAPTER 33: CITY EMPLOYEES

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POLICE OFFICER'S RETIREMENT SYSTEM

* * *

§ 33.130 VESTING.

If a member terminates his or her employment with the Police Department, either voluntarily or by discharge, and is not eligible for any other benefits under this system, the member ~~he or she~~ shall be entitled to the following:

(A) With less than ten years of continuous service, a refund of member

contributions without interest.

(B) With ten or more years of continuous service:

(1) For Group One Restored Members and Group Two Restored Members, ~~Under the benefit structure effective prior to October 1, 2011, the pension benefits accrued to the member's his date of termination, payable for the life of the member and commencing upon the member's attainment of age 50, provided the member he does not elect to withdraw his member contributions; and, under the benefit structure effective October 1, 2011,~~ For Group Three Members, the pension benefits accrued to a member's ~~his~~ date of termination, payable for the life of the member and commencing upon the member's attainment of age 55, provided the member ~~he~~ does not elect to withdraw the ~~his~~ member's s contributions; ~~or, in the discretion of the member;~~

(2) In the member's discretion, ~~Refund of member contributions plus 3% interest compounded annually, in which event no pension benefit shall be payable.~~

Section 6: That Section 33.131 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

* * *

CHAPTER 33: CITY EMPLOYEES

* * *

POLICE OFFICER'S RETIREMENT SYSTEM

* * *

§ 33.131 FINANCING OF THE SYSTEM.

The fund of the retirement system shall consist of monies derived from the following sources:

* * *

(D) ~~Members of the system shall contribute 8% of their earnings. Effective October 1, 2006, members of the system shall contribute 8.5% of their earnings. Payments to the member for overtime in excess of 223 hours for the period from June 7, 2006 through December 31, 2006, and for overtime in excess of 400 hours in calendar year 2007 and each calendar year thereafter shall be excluded from earnings for this purpose. After completion of 27 years of continuous service, members of the~~

~~system shall contribute only 0.5% of their earnings. Effective October 1, 2009, members of the System shall contribute 9% of their earnings. Effective October 1, 2010, members shall contribute 9.25% of their earnings. Effective the first full pay period on or after May 1, 2013, members shall contribute 8% of their earnings. A member hired prior to the first full pay period after October 7, 2015, who is still in his or her one year probationary period as of the beginning of the first full pay period after October 7, 2015, shall contribute 8% of his or her earnings beginning in the first full pay period after October 7, 2015. Group One Restored Members, Group Two Restored Members and Group Three Members shall contribute 9.5%, effective with the first full pay period that starts on or after _____. Upon entry into the DROP plan, Group One Restored Members and Group Two Restored Members shall cease making employee contributions. Upon entry into the reformed planned retirement benefit, Group Three members shall contribute either the employee's contribution rate as provided elsewhere in this subchapter or 0.5% of the member's earnings until termination of employment.~~

* * *

Section 7: That Section 33.132 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

* * *

CHAPTER 33: CITY EMPLOYEES

* * *

POLICE OFFICER'S RETIREMENT SYSTEM

* * *

§ 33.132 THE BOARD OF TRUSTEES.

The general administration and responsibility for the proper operation of the system and for making effective the provisions of this subchapter are hereby vested in a Board of Trustees consisting of seven members, as follows:

* * *

(A) One representative appointed by the Mayor of the city; one representative appointed by the City Commission; and five members of the Police Department, including DROP participants, who shall be elected by a per capita vote of all members of the Police Department who come within the purview of this subchapter. The Chief of

Police shall be a nonvoting, ex-officio member of the Board. All qualified members entitled to vote shall be notified in person or by mail five days in advance of said election. ~~The first election shall be held within 30 days after passage of this subchapter. Five Trustees will be elected at that time. The two receiving the highest number of votes will serve for a term of two years and the remaining three elected will serve for a period of one year. Thereafter, annually, e~~Elections shall be held annually to replace the Trustees whose term of office expires at that time, and the elected Trustees shall begin their term of office immediately, said term of office being two years, taking effect the first Monday after the election to ~~said~~ office. The Board of Trustees must meet and organize and elect one of their members as Chairperson and one of their members as Secretary within ten days after being elected and duly qualified.

* * *

(2-3) Each Trustee shall, within ten days after ~~his~~ appointment or election, take an oath of office before the City Clerk, that so far as it devolves upon the Trustee ~~him~~, he or she will diligently and honestly administer the affairs of the Board and will not knowingly violate or willingly permit to be violated any provisions of the law applicable to the retirement system. Such oath shall be subscribed by the member making it and certified by the Clerk and filed in the Clerk's ~~his~~ office.

(4) Each Trustee shall be entitled to one vote on the Board. Four votes shall be necessary for a decision by the Trustees at any meeting of the Board. The Chairperson ~~Chairman~~ of the Board of Trustees shall have the right to one vote only.

* * *

(10) Any elected Trustee who neglects the duties of ~~his~~ office shall be subject to recall by the members of the system. Such recall shall be conducted as follows:

(a) A petition containing the signatures of a majority of the members of the system and stating the name of the Trustee or Trustees and the specific allegations to warrant their recall shall be filed with the Chairperson ~~Chairman~~ of the Board.

(b) Trustee or Trustees against whom a petition of recall has been filed shall have 15 days in which to file a written rebuttal to any charges contained in the petition with the Chairperson ~~Chairman~~ of the Board.

(c) The Chairperson ~~Chairman~~ of the Board shall set an election by the members of the system 30 days subsequent to the filing by the Trustee complained against of the Trustee's ~~his~~ response or the conclusion of the 15-day period, whichever occurs first, said election to be held by secret ballot at the offices of the City Clerk, for a four day period to facilitate the ability of the members of the system to cast their ballots.

(d) When two-thirds of the members of the system vote to recall a Trustee or Trustees, the ~~his~~ seat shall be immediately declared vacant, and such Trustee shall no longer serve.

* * *

Section 8: That Section 33.135 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

* * *

CHAPTER 33: CITY EMPLOYEES

* * *

POLICE OFFICER'S RETIREMENT SYSTEM

* * *

§ 33.135 INVESTMENT OF FUNDS.

* * *

(E) Money withdrawn from the fund for investments, or otherwise, on warrants executed or authorized by the Board pursuant to this subchapter and rules and regulations prescribed by the Board of Trustees, shall be by draft. All such drafts shall be consecutively numbered, and be signed by the Chairperson ~~Chairman~~ and Secretary manually, or by facsimile, or such administrative function may be delegated so that authorized drafts may be signed by the City Manager for the Chairperson ~~Chairman~~, and by the Director of Finance for the Secretary, manually or by facsimile. All such drafts shall state upon their faces the purpose for which they were drawn.

Section 9: That Section 33.136 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

* * *

CHAPTER 33: CITY EMPLOYEES

* * *

POLICE OFFICER'S RETIREMENT SYSTEM

* * *

§ 33.136 MISCELLANEOUS PROVISIONS.

* * *

(C) *No offsets to widow(ers) and children's benefits.* The pension payments to widow(ers) and/or children shall not be decreased or reduced due to benefits received by them under any Workers' ~~Workmen's~~ Compensation law.

(D) *Special duty time.* Any Member of the Police Department who is called or notified to report to duty, not on a his regular work day or work schedule, shall be deemed to be on duty from the time of he is notification ~~notified~~ to report to duty, and should the Member ~~he~~ sustain injury or death in any manner while en route to Police Headquarters or any special assignment point, such injury or death shall be deemed to have occurred in the line of duty.

* * *

(G) *Member contributions cease on retirement.* Member contributions shall cease upon service or ~~of~~ disability retirement.

(H) *Minimum benefit, return of member contributions.* Whenever any member in the service of the Police Department shall sever employment, ~~his connection~~ with the Police Department, either voluntarily, ~~or~~ by discharge, or by death, from any cause, such member or the member's ~~his~~ estate shall be entitled to the return of all monies ~~moneys~~ the member ~~he~~ has contributed into this system, together with accumulated interest on said sum at the rate of 3% per annum, compounded annually, computed until date of payment to the ~~said~~ member, unless at the time of such discharge, voluntary severance or death, ~~of~~ such member has qualified under the terms of this subchapter for a pension ~~as herein provided for~~. In the event a member has qualified for a service retirement or disability pension, the minimum benefit payable to such member, the member's ~~his~~ beneficiary or estate, shall in any event be an amount equal to the ~~his member's~~ contributions plus 3% interest ~~as specified above~~.

* * *

(J) *~~Appeal of compulsory retirement.~~* ~~On compulsory retirement of a member on act of the Board of Trustees, any such retired member shall have the right to appeal against such retirement by the Board of Trustees by appealing to a court of proper jurisdiction; and said member shall defray his own expense in his appeal of such compulsory retirement.~~ Reserved.

* * *

(M) *Annual increase in benefits.* Group One Restored Members and Group Two Restored Members employed on _____ who did not participate in the DROP plan shall receive a 2% annual increase in benefits commencing three years after the date retirement benefits begin. Group One Restored Members and Group Two Restored Members employed on _____ who participated in the DROP plan shall receive a 2% annual increase in benefits commencing upon the later of (i) separation of employment and (ii) three years after the member entered the DROP plan. ~~Effective June 7, 2006, commencing three years after the date retirement benefits begin, a retired member who did not participate in the DROP plan shall receive a 2% annual increase in retirement benefits. Effective June 7, 2006, commencing upon the later of (i) separation from employment with the city and (ii) three years after the member entered the DROP plan, a retired member who participated in the DROP plan shall receive a 2% annual increase in retirement benefits. The benefit provided in this subsection is frozen as of midnight on September 30, 2011. Under the benefit structure effective October 1, 2011, there shall be no annual increase in retirement benefits.~~

(N) *Supplemental pension distribution.* There shall be payable to eligible persons a supplemental pension distribution for each fiscal year in which the actual rate of investment return earned on fund assets exceeds the assumed rate of investment return on fund assets. The total amount of the supplemental pension distribution for a particular fiscal year shall be equal to the actuarial present value of future retirement benefits, as calculated on the eligible retirees' portion of the Fund's earnings attributable to assets apportioned to retiree benefit liability, multiplied by the excess (not to exceed 2%) of the actual rate of investment return over the assumed rate of investment return for the fiscal year. The Board of Trustees shall determine who is an eligible person and the specific amount to be paid to each eligible person; provided, however, that only those Group One Restored Members employed on _____ and participating in either the DROP plan or the reformed planned retirement benefit on _____ shall be eligible for the supplemental pension distribution ~~a member who does not retire or enter the DROP on or before September 30, 2011 (and the surviving spouse and other beneficiaries thereof) shall not be an eligible person.~~

(O) *Use of state funds.* ~~Commencing October 1, 2000, the state funds received by the city pursuant to F.S. Chapter 185 shall be used to fund the plan increase in actuarial present value attributable to the additional benefits, including "minimum benefits" and "extra benefits," as provided in F.S. Chapter 185, consisting of ten years' certain and life as normal form for normal retirement, disability, and death prior to retirement, which benefits are set forth in § 33.128(B)(2), (C)(1) and (2), and (D) above. To accomplish this, a portion of the F.S. Chapter 185 funds received by the city after the additional benefits were recognized as applicable under the plan shall be used to fund the actuarial present value of the benefits; however, the annual amounts so used shall be limited to the increase in annual contributions needed to fund the benefits~~

~~until fully funded. In addition to the annual amounts needed for the funding of the ten years' certain and life normal benefit form, the increase in actuarial present value attributable to the October 1, 2000, retroactive effective date shall be paid in a single-sum payment from the remaining balance of unused F.S. Chapter 185 funds made available by the addition of the ten years' certain and life normal benefit. The remaining state funds shall be divided equally into individual "share" accounts for active members of the system. The Board of Trustees shall administer this "share" program.~~

~~Commencing June 7, 2006, the state funds received by the city pursuant to F.S. Chapter 185 subsequent to the funds normally received during Fiscal Year 2006 shall not be divided into individual "share" accounts, but shall be used exclusively to fund plan benefits, including "minimum benefits" and "extra benefits," as provided in F.S. Chapter 185.~~

Commencing on July 17, 2013, the state funds received by the city pursuant to F.S. Chapter 185 shall be used to offset city contribution requirements. In addition, all funds received by the pension plan prior to that date and held by the pension plan on that date shall be applied to reduce city contributions.

* * *

Section 10: That it is the intention of the City Commission that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Hollywood, Florida, and the provisions of this Ordinance may be renumbered to accomplish such intention.

Section 11: That if any word, phrase, clause, subsection or section of this Ordinance is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of any remaining portions of this Ordinance.

Section 12: That all sections or parts of sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict are repealed to the extent of such conflict.

AN ORDINANCE OF THE CITY OF HOLLYWOOD, FLORIDA, AMENDING THE SUBCHAPTER OF CHAPTER 33 OF THE CODE OF ORDINANCES TITLED "POLICE OFFICER'S RETIREMENT SYSTEM"; INCORPORATING VARIOUS CHANGES TO THE RETIREMENT SYSTEM CONTAINED IN THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE BROWARD COUNTY PBA AND THE CITY OF HOLLYWOOD, INCLUDING CHANGES RELATING TO MEMBERSHIP, ELIGIBILITY, NORMAL RETIREMENT BENEFIT, AND THE RESOLUTION OF ISSUES RELATED TO THE CITY'S REDUCTION OF PENSION BENEFITS IN 2011; FURTHER AMENDING CHAPTER 33 BY REMOVING OUTDATED AND OBSOLETE PROVISIONS.

Section 13: That this Ordinance shall be in full force and effect immediately upon its passage and adoption.

ADVERTISED on _____, 2019.

PASSED on first reading this _____ day of _____, 2019.

PASSED AND ADOPTED on second reading this _____ day of _____, 2019.

JOSH LEVY, MAYOR

ATTEST:

PATRICIA A. CERNY, MMC
CITY CLERK

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY for the use and reliance of
the City of Hollywood, Florida only:

DOUGLAS R. GONZALES, CITY ATTORNEY