

**PROPOSED ORDINANCE NO. 2018-20**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF PEMBROKE PINES, FLORIDA, REVISING THE CITY'S POLICE AND FIRE PENSION PLAN PURSUANT TO THE TERMS AND CONDITIONS OF COLLECTIVE BARGAINING AGREEMENT WITH THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS AND THE POLICE BENEVOLENT ASSOCIATION BY AMENDING § 34.43 OF THE CITY'S CODE OF ORDINANCES TO CREATE A TIER OF RETIREMENT BENEFITS EXCLUSIVELY FOR EMPLOYEES HIRED AFTER OCTOBER 1, 2018; AMENDING 34.52 SECTION (C)(3) TO PROVIDE FOR A EIGHT YEAR DROP OPTION; AMENDING § 34.37 TO INCORPORATE THE MUTUAL AGREEMENTS REGARDING USE OF 175 AND 185 FUNDS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, THE City Commission finds it in the best interest of the City and the Commission goal to maintain the financial integrity of the Police and Fire Pension Plan to adopt revised retirement and deferred retirement benefits that have resulted from collective bargaining with the International Association of Firefighters and the Broward County Police Benevolent Association.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA, THAT:**

Section 1. The foregoing "Whereas" clause is hereby ratified as being true and correct, and are hereby incorporated herein by this reference.

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Section 2. The City Commission of the City of Pembroke Pines hereby amends the City's Code of Ordinances by amending the following sections City's Police and Fire Pension Plan as set forth herein.

Section 3. § 34.43 "Normal Retirement" of Chapter 34 of the Code of Ordinances is amended to add a new subsection (N) to describe the exclusive retirement benefits for employees hired after October 1, 2018

(N) For police and firefighter members hired on or after October 1, 2018 the retirement benefits shall be as follows:

- a. the benefit Multiplier will be 3.0 % for each complete year of service.
- b. the maximum retirement benefit shall not to exceed 80% of average monthly earnings.
- c. the member's Average Compensation Calculation will be determined by using the best five out of last ten years of service.
- d. when calculating the employees retirement benefits, up to 300 hours per year in overtime compensation may be included but payments for accrued unused sick or annual leave or other unused leave may not be included.
- e. the maximum DROP participation period is not to exceed eight (8) years

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from the first date of eligibility for normal retirement.

f. the member's DROP account interest rate will be the same rate as other Plan members as is in effect for Plan members at the time the member enters DROP based on their date of hire.

g. the member will not have an individual pension contract with the City.

h. the member's retirement payment will not be adjusted for cost of living adjustments (COLAs).

i. the member's Normal Form of Pension Payment is limited as follows: 10 years Certain and Life (other options will be available at time of retirement for "spouse" as defined by City Ordinance (irrevocable selection), such as 50%, 66%, 75% and 100% survivorship options, such options shall be actuarially calculated based on sound actuarial practices including, but not limited to gender and age.

j. The member's pension contribution will be 3% of pensionable earnings

The foregoing benefits are exclusively provided for employees hired on after October 1, 2018 and have no application to employees hired prior to October 1, 2018. To the extent of a conflict between the exclusive benefits described in this section and a like benefit described elsewhere in the Plan, the benefits described in this section will

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Section 4. § 34.52 “Optional Benefits” of Chapter 34 of the Code of Ordinances is amended to subsection (C)(3) as follows to increase the DROP option to eight (8) years for Police and for Firefighter members:

(3) The duration and participation in the DROP shall be specified and shall not exceed five eight (8) years from the first date of eligibility for normal retirement, as chosen by the member, pursuant to § 34.43 of this subchapter. Firefighter members who attain eligibility for normal retirement before reaching their 50th birthday may elect entry into the DROP no later than the date of their 50th birthday in order to enjoy a full five eight (8) years of participation in the DROP.

For firefighter members employed as of the date of this amendment, and who were hired after the attainment of their 30th birthday, DROP entry for such members shall be no later than the date upon which they have completed 20 years of eligible service in order to enjoy a full five years of participation in the DROP.

For police officers employed as of the date of this amendment and who were hired after the attainment of their 25th birthday, DROP entry for such members shall be no later than the date upon which they have completed 25 years of eligible service in order to enjoy a full five years of participation in the DROP.

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The City offers an eight (8) year DROP to anyone who has not already entered DROP or those currently in DROP. The DROP account balance, for the first five years of the DROP would be based on date of hire (for hires prior to May 1, 2010, the range is 5% to 8% based on plan return) or market rate for hires after May 1, 2010. For years six and beyond, the rate would be market rate. All DROP participants hired prior to May 1, 2010, who do not elect to participate beyond the initial sixty (60) month plan, shall have their interest range of 5% to 8% guaranteed as currently included in the City's Pension Plan. For those members who elect to participate in the DROP program beyond sixty (60) months, shall either withdraw all DROP funds from their plan by the tenth anniversary of separation of service from the City, or have the option to leave the DROP balance in the City Pension Plan and receive the net plan rate of return (market rate of return). For those members who elect to participate in the DROP program beyond sixty (60) months, a new pension contract would have to be executed by the City and the member. Members must notify the City a minimum of three (3) months prior to close of the sixty (60) month DROP period, if they elect to extend their DROP participation beyond the initial sixty (60) month DROP period.

Section 5. § 34.37 "Source of Funds " of Chapter 34 of the Code of Ordinances is amended to add a new section subsection (G) as follows:

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§ 34.37 SOURCE OF FUNDS.

...

(G) The City and the Unions that represent members have entered into mutual agreements regarding the use of Insurance Premium Tax Revenue ("IPTR") as required by the Chapter No. 2015-39, Laws of Florida such that all IPTR, whether base premium tax revenue or additional premium tax revenue, received by the City will be used to reduce the City's annual required contribution to the City Pension Fund for Firefighters and Police Officers.

Section 6. All references to the option of participation in the Florida Retirement System and modification of retirement benefits resulting from such optional participation are null and void on adoption of this ordinance.

Section 7. It is the intention of the City Commission of the City of Pembroke Pines that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Pembroke Pines, Florida. The Sections of this Ordinance may be re-numbered, re-lettered and the word "Ordinance" may be changed to "section", "Article" or such other word or phrase in order to accomplish such intention.

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Section 8. If any clause, section, or other part or application of this ordinance shall be held by any court of competent jurisdiction to be unconstitutional or invalid such unconstitutional or invalid part or application shall be considered as eliminated and so not affecting the validity of the remaining portions or applications remaining in full force or effect.

Section 9. In the event of any conflict between the retirement benefits for Police Officers or Firefighters as set forth in this Pension Code and the retirement benefit rights as set forth in the collective bargaining agreement between the City and the Broward County Police Benevolent Association or the International Association of Firefighters at the time a conflict is identified, the retirement benefit rights as set forth in the respective collective bargaining agreement (as last amended) in place at the time such conflict is identified shall control.

Section 10. All ordinances or parts of ordinances and resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 11. This ordinance shall take effect October 1, 2018.

**PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF  
PEMBROKE PINES, FLORIDA, ON FIRST READING THIS \_\_\_\_\_ DAY OF  
\_\_\_\_\_, 2018.**

**PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF**

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**PEMBROKE PINES, FLORIDA, ON SECOND AND FINAL READING THIS \_\_\_\_\_  
DAY OF \_\_\_\_\_, 2018.**

ATTEST:

CITY OF PEMBROKE PINES, FLORIDA

\_\_\_\_\_  
MARLENE D. GRAHAM, CITY CLERK

\_\_\_\_\_  
FRANK C. ORTIS, MAYOR

APPROVED AS TO FORM:

ORTIS \_\_\_\_\_

CASTILLO \_\_\_\_\_

GOOD \_\_\_\_\_

SCHWARTZ \_\_\_\_\_

\_\_\_\_\_  
OFFICE OF THE CITY ATTORNEY

SIPLE \_\_\_\_\_

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