

**ORDINANCE NO. 2011-68**

**CITY OF POMPANO BEACH  
Broward County, Florida**

**AN ORDINANCE AMENDING CHAPTER 34, "CITY POLICY," OF THE CODE OF ORDINANCES OF THE CITY OF POMPANO BEACH RELATING TO THE POLICE & FIREFIGHTERS' RETIREMENT SYSTEM; RESTORING ALL FIREFIGHTER BENEFITS THAT WERE REDUCED BY ORDINANCE NO. 2011-67, TO THE LEVELS THAT EXISTED IMMEDIATELY PRIOR TO THE ADOPTION OF SAID ORDINANCE; PROVIDING FOR THE CREATION OF A SUPPLEMENTAL RETIREMENT BENEFIT FOR FIREFIGHTERS TO BE FUNDED SOLELY FROM THE ANNUAL RECEIPT OF ADDITIONAL PREMIUM TAX REVENUES PURSUANT TO CHAPTER 175, FLORIDA STATUTES; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY, PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Pompano Beach recently entered into a collective bargaining agreement with the Pompano Beach Professional Fire Fighters, Local 1549, I.A.F.F., containing revisions to the Firefighters' Pension Plan; and

**WHEREAS**, in accordance with the collective bargaining agreement, the City Commission of the City of Pompano Beach adopted Ordinance No. 2011-67 reducing certain benefits; and

**WHEREAS**, to fully implement the provisions of the collective bargaining agreement, it is necessary to adopt a second ordinance restoring the benefits that were reduced by Ordinance No. 2011-67 to the levels that existed immediately prior to the adoption of said Ordinance, and to implement certain other ratified changes; and

**WHEREAS**, the City Commission has received and reviewed an actuarial impact statement from the Retirement System's actuary relating to the amendments set forth herein; and

**WHEREAS**, pursuant to law, ten (10) days notice has been given by publication in a paper of general circulation in the City, notifying the public of this proposed ordinance and of a public hearing in the City Commission Chambers of the City of Pompano Beach; and

**WHEREAS**, a public hearing before the City Commission was held pursuant to the published notice described above, at which hearing the parties in interest and all other citizens so desiring had an opportunity to be and were, in fact, heard; now, therefore,

**BE IT ENACTED BY THE CITY OF POMPANO BEACH, FLORIDA:**

**SECTION 1.** Effective upon the adoption of this ordinance the Pompano Beach Police and Firefighters' Retirement System is amended to restore all benefits for firefighters that were reduced by Ordinance No. 2011-67, to the levels that existed immediately prior to the adoption of said Ordinance No. 2011-67, and to implement certain additional benefits by providing for a supplemental retirement benefit as provided for in Section 3 below. There will be no change in the accrued benefits of Plan participants, or in the future accrual of benefits, as a result of Ordinance No. 2011-67 or this Ordinance, except as provided for herein.

**SECTION 2.** The cost of the benefits restored by this Ordinance, as determined by the Plan actuary, will increase the total "applicable frozen amount" of Chapter 175 premium tax revenues, as reflected in the actuarial impact statement for this plan amendment and future actuarial valuation reports, to \$821,230. The City may use all Chapter 175 premium tax revenues received during the plan year (or in the case of a supplemental distribution, revenues applicable to the plan year even if received after the end of the plan year), up to the "applicable frozen amount" of \$821,230 to reduce the City's required contributions to the Pension Plan for plan years beginning October 1, 2010 or later. Any premium tax revenues received by the City in excess of the \$821,230 "applicable frozen amount" during any plan year beginning October 1,

2010 or later shall be used solely for the supplemental pension benefit provided in Section 3 below. In conjunction with the “Stop/Start” implemented in Ordinance No. 2011-67 and this Ordinance, the City shall receive a one-time credit against future employer contributions to the Retirement System in the amount of \$821,230. This one time credit may be used at the discretion of the City to pay all or part of the City’s required contributions to the Retirement System during the current Plan year or future plan years. Any premium tax revenues received by the City in excess of the \$821,230 “applicable frozen amount” during any plan year beginning October 1, 2011 or later shall be used solely for the supplemental pension benefit provided for herein.

**SECTION 3.** That Section 34.0604, “Supplemental Retirement Benefit for Firefighters,” of Chapter 34, “City Policy,” of the Pompano Beach Code of Ordinances, be and is hereby created to read as follows:

**§ 34.0604 SUPPLEMENTAL RETIREMENT BENEFIT FOR FIREFIGHTERS**

(A) Effective on October 1, 2010, the total “applicable frozen amount” of Chapter 175 premium tax revenues, as reflected in the actuarial impact statement for the Pompano Beach Police and Firefighters’ Retirement System, and future actuarial valuation reports, shall be increased to \$821,230. The City may use all Chapter 175 premium tax revenues received during the plan year (or in the case of a supplemental distribution, revenues applicable to the plan year even if received after the end of the plan year), up to the “applicable frozen amount,” to reduce the City’s required contributions to the Retirement System during the following fiscal year. Any premium tax revenues received by the City in excess of the \$821,230 “applicable frozen amount” during any plan year beginning October 1, 2010 or later shall be used for the supplemental pension benefit as follows:

(B) The supplemental pension retirement benefit shall consist of an individual share account for each active firefighter, including DROP participants, for the City of Pompano Beach. The supplemental retirement benefit shall be funded solely by premium tax revenues received by the City pursuant to Section 175, Florida Statutes, as provided for by the City of Pompano Beach code of ordinances. The total initial amount to be allocated to the participants’ share

accounts as provided herein shall be \$2,540,196, which reflects the accumulated excess premium tax revenues in the pension fund minus the one time lump sum credit of \$821,230 afforded through the "Stop/Start", as of the 10/1/10 actuarial valuation report. For plan years beginning October 1, 2010 and later, all premium tax revenues received by the City pursuant to Section 175, Florida Statutes, in excess of \$821,230 shall be allocated to the participants' share accounts as provided for herein. Participants' share accounts shall be credited with premium tax revenues and investment earnings or losses, and interest, and distributed as follows:

(1) Initial crediting. The share account of each active firefighter and DROP participant on the City's payroll as of September 30, 2010, shall be credited retroactively as follows. Each member who was employed on September 30, 2010 as a firefighter shall receive one share for each month of continuous service, as defined in §34.045, of the City of Pompano Beach Code of Ordinances earned from the date of hire through September 30, 2010. The total number of shares thus determined shall be divided into the initial amount of premium tax revenues to be allocated (\$2,540,196.00) to derive the initial value of each share.

(2) Annual crediting. Effective January 1, 2012, and each January 1 thereafter, the share account of each active firefighter and DROP participant on the City's payroll as of the preceding September 30 shall be credited as follows. Each active firefighter and DROP participant who was employed on the preceding September 30 shall receive one share for each month of continuous service, as defined in §34.045, earned during the plan year ending on the same September 30. The total number of shares thus determined shall be divided into the premium tax revenues received during that plan year (or in the case of a supplemental distribution, revenues applicable to that plan year even if received after the end of the plan year) in excess of \$821,230, to determine the amount to be credited to the share account of each eligible share plan participant.

(3) Investment earnings and losses, or interest. Effective January 1, 2012, and each January 1 thereafter, the share account of each active firefighter and DROP participant shall be credited or debited with earnings or losses based upon the amount in the share account at the close of the immediately preceding calendar year at a rate equal to the Pension Plan's actual net rate of investment return for the preceding plan year. In the alternative, share plan participants who are within 5 years of their expected termination of employment date shall have the option to make a one-time irrevocable election, in writing to the Board of Trustees for the Retirement System, to have interest credited to their share account from a money market mutual fund selected by the Board of Trustees, rather than credited or debited at the Pension Plan's actual net rate of investment return. All share plan participants' accounts will be credited with the Pension Plan's actual net rate of investment return unless otherwise elected by a member as provided for herein.

(4) Distribution of Share Accounts. An active firefighter or DROP participant with ten (10) or more years of continuous service upon termination of employment and eligibility for receipt of pension benefits shall be eligible to receive a distribution of fifty percent (50%) of the balance in his or her share account, together with all earnings and losses and interest credited to the share account through the date of termination of employment. An active firefighter or DROP participant with fifteen (15) or more years of continuous service upon termination of employment and eligibility for receipt of pension benefits shall be eligible to receive a distribution of seventy-five percent (75%) of the balance in his or her share account, together with all earnings and losses and interest credited to the share account through the date of termination of employment. An active firefighter or DROP participant with twenty (20) or more years of continuous service upon termination of employment and eligibility for receipt of pension benefits shall be eligible to receive a distribution of one hundred percent (100%) of the balance in his or her share account, together with all earnings and losses and interest credited to the share account through the date of termination of employment. No benefit shall be payable to an active firefighter who terminates covered employment with less than ten (10) years of credited service. The share account balances of such non-vested terminated members shall be redistributed among all eligible participants' share accounts in the same manner as premium tax revenues in the following calendar year. The designated beneficiary of an active firefighter who dies shall receive the accumulated total of his share account balance, and an active firefighter awarded a disability pension from the Pension Plan shall receive the accumulated total of his share account balance. There shall be no forfeiture of a member's share account based on the member's death, disability or termination of employment with ten (10) or more years of credited service. Payment of share account benefits shall be by lump sum, which shall consist of the accumulated total balance of the active firefighter's share account, or, at the participant's direction, the share account balance may be rolled over to another qualified plan in accordance with Section 34.0571(D) of this Plan, with an additional payment made for any amount credited in the year following termination of employment.


**SECTION 4.** All ordinances or parts of ordinances in conflict herewith are hereby repealed.

**SECTION 5.** If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect any provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

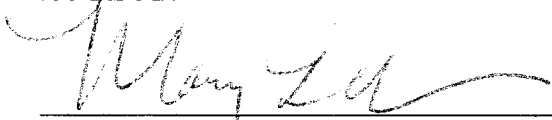
**SECTION 6.** This Ordinance shall become effective upon passage; however, the provisions of this Ordinance that are specified to take effect as of a date certain shall take effect as of the date specified herein.

**PASSED FIRST READING** this 26<sup>th</sup> day of \_\_\_\_\_ July, 2011.

**PASSED SECOND READING** this 26<sup>th</sup> day of \_\_\_\_\_ July, 2011.

  
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**LAMAR FISHER, MAYOR**

**ATTEST:**

  
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**MARY L. CHAMBERS, CITY CLERK**

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