

01/4.22

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

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, AMENDING CHAPTER 34, "CITY POLICY," OF THE CODE OF ORDINANCES OF THE CITY OF POMPANO BEACH RELATING TO THE POLICE & FIREFIGHTERS' RETIREMENT SYSTEM BY AMENDING SECTION 34.0603, "DEFERRED RETIREMENT OPTION PLAN (DROP)," BY PROVIDING ADDITIONAL RULES RELATING TO THE DROP LOAN PROGRAM; AND BY AMENDING SECTION 34.066, "DURATION OF PENSION," TO CORRECT AN ERRONEOUS INTERNAL REFERENCE; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Trustees of the plan has recommended the addition of certain rules relating to the DROP loan program; and

WHEREAS, the City Commission has received and reviewed an actuarial impact statement from the Retirement System's actuary relating to the amendment 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. That Section 34.0603, “Deferred Retirement Option Plan (DROP),” of Chapter 34, “City Policy,” of the Pompano Beach Code of Ordinances, is hereby amended to read as follows:

§ 34.0603 DEFERRED RETIREMENT OPTION PLAN (DROP).

A deferred retirement option plan (DROP) is hereby authorized. The DROP is to be administered by the Board of Trustees. Police officer members may elect to enter the DROP upon reaching normal retirement as set forth and in accordance with the terms and conditions of the DROP document in existence as negotiated in the collective bargaining agreements between the Broward County Police Benevolent Association of Pompano Beach, Florida and the City or Broward County Sheriff’s Office. In no event shall the Board administer a plan which results in the disqualification of the system under the Internal Revenue Code.

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(G) DROP account earnings.

(1) After each fiscal year quarter, the average daily balance in a member’s deferred retirement option account shall be credited or debited at a rate equal to the actual net rate of investment return realized by the retirement system for that quarter. “Net investment return” for the purpose of this paragraph is the total return on the retirement system’s assets (except those assets invested pursuant to DROP member direction under subsection (2) below) net of brokerage commissions and transaction costs.

...

(4) ~~Police Officer m~~Members of the DROP who have elected to participate in the DROP loan program, as detailed herein, shall not receive any earnings on outstanding loan balances until such time as a repayment is made. Repayments are qualified as principal and interest with the latter being reflected on member DROP accounts as “earnings.”

(H) Expenses. To compensate the system for the expenses of administering, investing and operating the DROP, each member’s account shall be charged an annual administrative fee which shall be reviewed and subject to increase or decrease annually. The initial expense charge of three-quarters of one percent of the account balance (0.75%) shall be deducted from the member’s account after each fiscal year quarter at the rate of 0.1875% of the account’s average balance during that quarter. Provided, however, if a member elects to participate as set forth in subsection (G)(3 2) above, the member’s account may be charged an administrative cost to be determined from time to time by the Board of Trustees.

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(M) DROP loan program.

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(2) In making its determination with respect to eligibility for, terms and conditions of, and interest rates on any loan, the Board of Trustees shall act in a uniform and nondiscriminatory manner. The outstanding principal of any loan to a member shall not exceed 50% of the member's vested amount in the DROP account, provided; that the maximum loan amount not shall exceed \$50,000. The promissory note shall bear interest at the annual interest rate quoted as the "prime rate" in the *Wall Street Journal* on the day which the member files all necessary forms for his or her DROP loan with the Board of Trustees. The interest rate quoted in the promissory note shall be valid for 60 calendar days from the initial date of the member's application. Upon expiration of such rate, member shall be required to file a new application with the Board and a new promissory note executed with the then applicable "prime rate," as described herein, prior to any approval by the Board or distribution of funds.

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SECTION 2. That Section 34.066, "Duration of Pension," of Chapter 34, "Police and Firefighters' Retirement System" of the Pompano Beach Code of Ordinances, is hereby amended to read as follows:

§ 34.066 DURATION OF PENSION.

Pensions granted to retired members shall be paid to them for life and shall not be revoked nor in any way diminished except as provided in this section. The payments of the member of this fund shall cease on his retirement and acceptance of a pension. In accordance with this Section, nothing herein shall be construed to require the suspension of the payment of the pension of the Fire Chief, retired on May 1, 2013 and re-hired effective May 2, 2013 during any period of re-employment by the City. The Fire Chief shall not participate in, nor accrue any benefits under, the Retirement system during any such period of re-employment.

SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4. 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 5. 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 12th day of December, 2017.

PASSED SECOND READING this 9th day of January, 2018.



LAMAR FISHER, MAYOR

ATTEST:



ASCELETA HAMMOND, CITY CLERK

TAL:jrm
11/8/17
L:ord/ch34/2018-45