

SUNRISE, FLORIDA

ORDINANCE NO. 124-X-07-A

AN ORDINANCE IMPLEMENTING CERTAIN TERMS OF THE 2006-2009 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY AND THE FLORIDA STATE LODGE, FRATERNAL ORDER OF POLICE; REVISING CERTAIN PROVISIONS OF THE POLICE OFFICERS' RETIREMENT PLAN; AMENDING SECTION 11-26 OF THE CITY CODE, REVISING CONTRIBUTIONS; AMENDING SECTION 11-36 OF THE CITY CODE, REVISING OPTIONAL BENEFITS; AMENDING SECTION 11-52 OF THE CITY CODE, REVISING THE SUPPLEMENTAL RETIREMENT BENEFIT AND DEFERRED RETIREMENT OPTION PLAN; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City has entered into a collective bargaining agreement with the Florida State Lodge, Fraternal Order of Police, for Police Officers and Sergeants; and

WHEREAS, the collective bargaining agreement contains certain changes to the City of Sunrise Police Officers' Retirement Plan; and

WHEREAS, to implement the changes to the Police Officers' Retirement Plan reflected in the collective bargaining agreement, an amendment to Chapter 11 of the City Code is necessary; and

WHEREAS, the City has obtained an actuarial impact statement concerning the retirement plan changes in accordance

with Article X, Section 14 of the Florida Constitution and Section 112.63, Florida Statutes;

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

Section 1. Section 11-26 of the City Code for the City of Sunrise, is amended to read as follows:

Sec. 11-26. Contributions.

(a) *Member contributions.* Regular contributions of each member of the plan shall be made each pay period as follows:

* * *

(2) Members of the police plan shall pay seven and fifteen hundredths (7.15) percent of their salaries. Effective the first full pay period after October 1, 2004, members of the police officers' retirement plan shall pay eight and fifteen hundredths (8.15) percent of their salaries. Effective the first full pay period after October 1, 2005, members of the police officers' retirement plan shall pay nine and fifteen hundredths (9.15) percent of their salaries. Based on the cost sharing adjustment in Section 11-26(b)(3) and effective the first full pay period after October 1, 2006, members of the police officers' retirement plan shall pay fourteen and thirty hundredths (14.3) percent of their salaries. Notwithstanding the preceding sentence, effective the first full pay period after October 1, 2006, members of the police officers' retirement plan shall pay nine and eighty-four hundredths (9.84) percent of their salaries.

* * *

(b) *City contributions.* The city's annual fiscal contribution to the plan, based on an actuarial study, shall provide for the following:

(1) Noninvestment expenses of the plan.

- (2) Amortization of unfunded liability of the plan.
- (3) An annual contribution in an amount which, together with the contributions from the employees and the amount derived from the state and other income sources authorized by law will be sufficient to meet the normal cost of the plan and to fund the actuarial deficiency over a period of not more than thirty (30) years. However, effective the first full pay period after October 1, 2004, should the city's portion of the total cost for the firefighter plan in a given fiscal year exceed nineteen and two-tenths (19.2) percent of the budgeted payroll for contributing members of the system excluding DROP participants for that year, any excess over nineteen and two-tenths (19.2) percent shall be rounded to the nearest one-tenth (1/10) of one (1) percent of budgeted payroll for contributing members and the resulting amount shall be divided in two (2) with members paying half the excess and the city paying the other half for that fiscal year. Should the city's portion of the total cost for the police plan exceed eleven and one-half (11.5) percent of the total budgeted payroll for members of the system effective the first full pay period after October 1, 2004, thirteen (13) percent effective the first full pay period after October 1, 2005 or eighteen (18) percent effective the first full pay period after October 1, 2006, any excess over the applicable percentage shall be rounded to the nearest one-tenth (1/10) of one (1) percent of budgeted payroll and the resulting amount shall be divided in two (2) with members paying half the excess and the city paying the other half for that fiscal year. Effective the first full pay period after October 1, 2005, should the city's portion of the total cost for the general employees' plan in a given fiscal year exceed fourteen (14) percent of the budgeted payroll for contributing members of the system for that year excluding DROP participants, any excess over fourteen (14) percent shall be rounded to the nearest one-tenth (1/10) of one (1) percent of such budgeted payroll and the resulting amount shall be divided in two (2) with members paying half the excess and the city paying the other half for that fiscal year. Any plan containing a "twenty and out" retirement benefit shall fund the cost of the benefit in excess of the cost of the

benefit for normal retirement, solely from employee contributions regardless of the extent of the city's contribution funding other benefits.

- (4) Notwithstanding the provisions of paragraph (3), above, effective the first full pay period after October 1, 2006, the city's annual contribution applicable to members of the police officers' retirement plan shall be an amount which, together with the contributions from such members and the amount derived from the state and other income sources authorized by law will be sufficient to meet the normal cost of the plan and to fund the actuarial deficiency over a period of not more than thirty (30) years; and the cost sharing provisions of paragraph (3), above, shall be inapplicable to such members.
- (5) All contributions made by the city to the plan for any given fiscal year shall be made evenly at the same intervals as the city payroll period.
- (~~65~~) Effective as of the first payroll check issued after January 1, 1990, for the purpose of this article the city shall pick up the employee contribution at the rate set forth in this section, as that term is defined in section 414(h)(2) of the Internal Revenue Code of 1986, as amended. Furthermore, for purpose of this article, the amount picked up by the city shall be treated as the employee contribution under state law.
- (~~76~~) City contributions shall be deposited in the respective trust funds at least quarterly for police officers and firefighters plans.
- (~~87~~) In addition to the city's net required contributions to the firefighters' retirement fund, the city will contribute the amounts set forth below; provided, the city shall pay only that portion of the additional amounts set forth below that will keep the city's total contribution at or below ten (10) percent of total budgeted payroll. The additional amounts will be as follows:
- a. Effective in the first full pay period in January 2002, the city will pay an additional two (2)

percent over the city's then-required contribution rate.

- b. Effective in the first full pay period in January 2003, the city will pay an additional two (2) percent over the city's then-required contribution rate.
- c. Effective in the first full pay period in January 2004, the city will pay an additional four (4) percent over the city's then-required contribution rate.

Section 2. Section 11-36 of the City Code for the City of Sunrise, is amended to read as follows:

Sec. 11-36. Optional benefits.

* * *

(d) *Pop-up option.* (The following section is applicable only to members of the general employees, firefighters, and police officers' retirement plans, as set forth below.)

(1) Notwithstanding the provisions of subsection (c), in the event that a member of the general employees' retirement plan has elected a reduced retirement annuity with a survivorship interest for the spouse, and the member's spouse predeceases the member, the survivorship benefit shall be deemed canceled and the member's annuity shall be recalculated as an actuarial equivalent life annuity effective on the first day of the month following the death of the member's spouse. An eligible member, by electing this option, consents to the actuarial adjustment of the member's retirement benefits sufficient to cover the cost of this option. This section (1) shall apply to all current members and retired members of the plan.

(2) Notwithstanding the provisions of subsection (c), in the event that a member of the firefighters' retirement plan who retires or terminates employment on or after January 1, 2004, has elected a reduced retirement annuity with a survivorship interest, and the member's joint pensioner predeceases the member, the survivorship benefit shall be deemed canceled and the member's annuity shall be recalculated as an actuarial

equivalent life annuity effective on the first day of the month following the death of the member's joint pensioner. An eligible member, by electing this option, consents to the actuarial adjustment of the member's retirement benefits sufficient to cover the cost of this option.

(3) Notwithstanding the provisions of subsection (c), in the event that a member of the police officers' retirement plan retires or terminates employment on or after October 1, 2007, and such member has elected a reduced retirement annuity with a survivorship interest, and the member's joint pensioner predeceases the member, the survivorship benefit shall be deemed canceled and the member's annuity shall be recalculated as an actuarial equivalent life annuity effective on the first day of the month following the death of the member's joint pensioner. An eligible member, by electing this option, consents to the actuarial adjustment of the member's retirement benefits sufficient to cover the cost of this option.

Section 3. Section 11-52 of the City Code for the City of Sunrise, is amended to read as follows:

Sec. 11-52. Supplemental benefit for police officers; deferred retirement option program for police officers.

(a) This section applies only to the police officers' retirement plan.

(b) Deferred retirement option program for police officers (DROP).

(1) A deferred retirement option plan ("DROP") is hereby established for eligible police officers.

(2) Eligibility and participation:

a. A police officer who reaches normal retirement age (age fifty-three (53) with ten (10) years of creditable service or completion of twenty (20) years of creditable service regardless of age) shall be eligible to participate in the DROP.

b. A member's election to participate in the DROP shall be irrevocable.

c. An eligible member who elects to participate

in the DROP on or after January 1, 2006 within five (5) years following the member's earliest normal retirement date may participate in the DROP for a maximum of sixty (60) months from the date of entry into the DROP. An eligible member may elect to participate in the DROP with thirty (30) days' advance written notice to the city at any time after reaching the earliest normal retirement date or during the applicable DROP period; however, in no event will the DROP period for a member who elects to participate in the DROP on or after January 1, 2006, be extended beyond sixty (60) months from the date the member enters the DROP or one hundred twenty (120) months after the member's earliest normal retirement date, whichever occurs first. On or after January 1, 2006, a member who delays entry into the DROP beyond sixty (60) months after reaching the earliest normal retirement date may elect to enter the DROP, upon thirty (30) days' advance written notice to the city, and for every month the member delays entry into the DROP beyond sixty (60) months after reaching the earliest normal retirement date, the maximum DROP period shall be reduced by one (1) month. Example: A member who enters the DROP on or after January 1, 2006 within sixty (60) months after reaching his/her earliest normal retirement date shall be eligible to participate in the DROP for a maximum of sixty (60) months from the date the member enters the DROP. If the same member waits seventy-two (72) months after reaching his/her earliest normal retirement age before entering the DROP, the member will be able to participate in the DROP for a maximum of forty-eight (48) months. A member who elects to participate in the DROP can elect to terminate DROP participation and city employment sooner than the maximum DROP period, with thirty (30) days' advance written notice to the city.

d. Effective July 10, 2007, the provisions of this subparagraph d. shall apply in lieu of subparagraph c. to members of the police officers' retirement plan. An eligible member who elects to participate in the DROP within five (5)

years following the member's earliest normal retirement date may participate in the DROP for a maximum of seventy-two (72) months from the date of entry into the DROP. An eligible member may elect to participate in the DROP with thirty (30) days' advance written notice to the city at any time after reaching the earliest normal retirement date or during the applicable DROP period; however, in no event will the DROP period for a member who elects to participate in the DROP be extended beyond seventy-two (72) months from the date the member enters the DROP or one hundred thirty-two (132) months after the member's earliest normal retirement date, whichever occurs first. A member who delays entry into the DROP beyond sixty (60) months after reaching the earliest normal retirement date may elect to enter the DROP, upon thirty (30) days' advance written notice to the city, and for every month the member delays entry into the DROP beyond sixty (60) months after reaching the earliest normal retirement date, the maximum DROP period shall be reduced by one (1) month. Example: A member who enters the DROP within sixty (60) months after reaching his/her earliest normal retirement date shall be eligible to participate in the DROP for a maximum of seventy-two (72) months from the date the member enters the DROP. If the same member waits seventy-two (72) months after reaching his/her earliest normal retirement age before entering the DROP, the member will be able to participate in the DROP for a maximum of sixty (60) months. A member who elects to participate in the DROP can elect to terminate DROP participation and city employment sooner than the maximum DROP period, with thirty (30) days' advance written notice to the city. Notwithstanding any other provision in this subparagraph d., any member covered by this subparagraph d. who was participating in the DROP on May 22, 2007 and July 10, 2007 shall be eligible to extend their DROP participation period and their resignation from City employment by up to twelve (12) months, by submitting a signed DROP election extension form provided by the City. The signed DROP election extension

form must be received by the City Finance Department within sixty (60) days following the effective date of this ordinance and prior to the end of the member's original DROP period.

(3) DROP plan features:

- a. An eligible member who elects to participate in the DROP will be considered to have retired for purposes of the pension plan. The member's monthly retirement benefit, determined in accordance with the plan based on years of creditable service and average final compensation at the time the member enters the DROP, will be paid into his or her DROP account every month during the DROP period. No member contributions shall be required after a member enters the DROP, and the member will not accrue any additional creditable service or any additional benefits under the pension plan after entering the DROP.
- b. A member who elects to participate in the DROP shall not be eligible for disability or preretirement death benefits under the pension plan. In addition, members who elect to participate in the DROP shall not receive supplemental retirement benefits until after the DROP period.
- c. As a condition of participating in the DROP, the member must agree to terminate city employment at the conclusion of the DROP period and to submit an irrevocable letter of resignation stating this prior to entering the DROP.
- d. Participation in the DROP is not a guarantee of employment, and DROP participants will be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- e. During a member's participation in the DROP, the member's monthly retirement benefit will be paid into the DROP account. The member's DROP account will earn interest at the same rate as the investment earnings assumption for the pension plan (compounded monthly). The investment earnings assumption may be adjusted up or down during a member's participation in the DROP,

which will result in a change in the prospective interest rate credit on the member's DROP account.

f. Within thirty (30) days following a DROP participant's termination of city employment or death, the member's entire DROP account balance shall be distributed to the member (or in the event of the member's death, to the member's designated beneficiary or estate in accordance with paragraph (2)g. below) in a cash lump sum, unless the member elects to have all or any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the member in a direct rollover. Any such direct rollover will be accomplished in accordance with section 11-50 of the pension plan.

g. If a DROP participant dies before his or her DROP account is distributed, the participant's designated beneficiary shall have the same rights as the participant with respect to the distribution of the DROP account. If the member has not designated a beneficiary, the DROP account balance shall be paid to the member's estate.

h. The pension board shall adopt any necessary rules for administering the DROP.

(c) Supplemental Benefit

(1) Police officers who retire and begin receiving normal or early retirement benefits on or after August 14, 2001, shall receive a supplemental monthly benefit in the initial amount of ten dollars (\$10.00) per year of creditable service, up to a maximum of two hundred dollars (\$200.00) per month until age sixty-five (65), and six dollars and twenty-five cents (\$6.25) per year of creditable service up to a maximum of one hundred twenty-five dollars (\$125.00) per month thereafter, contingent on the annual adjustment described in paragraph (d), below. Police officers who terminate employment and begin receiving normal or early retirement benefits on or after January 1, 2006, shall receive a supplemental monthly benefit in the initial amount of sixteen dollars and twenty-five cents (\$16.25) per year of creditable service up to a

maximum of three hundred twenty-five dollars (\$325.00) per month until age 65, and ten dollars (\$10) per year of creditable service up to a maximum of two hundred dollars (\$200) per month thereafter, contingent on the annual adjustment described in paragraph (d) below. Police officers who terminate employment and begin receiving normal or early retirement benefits on or after October 1, 2007, shall receive a supplemental monthly benefit in the initial amount of twenty-five dollars (\$25.00) per year of creditable service up to a maximum of five hundred dollars (\$500.00) per month until age 65, and fifteen dollars (\$15.00) per year of creditable service up to a maximum of three hundred dollars (\$300.00) per month thereafter, contingent on the annual adjustment described in paragraph (d) below.

(2) Each retiree's supplemental benefit shall be in addition to the normal retirement benefit paid under the current plan, and shall be paid only if the retiree is then alive. Each retiree's supplemental benefit shall be determined on an annual basis, and the amount of the benefit may vary from year to year or the benefit may be discontinued entirely, based on the adjustment described in paragraph (d), below.

(d) Should legislation be enacted or agency action implementing the legislation be taken, or if there is an administrative or court decision interpreting such legislation, and if the legislation, agency action or decision results in an increase in required employer contributions to the pension fund, the benefits described in paragraph (c), above, shall be adjusted to offset the increased employer contributions resulting from the state legislation, agency action or decision. Once the amount of the increased employer contribution resulting from state legislation, agency action or decision is determined, the city shall adjust the benefits in paragraph (c), above, to produce a decrease in employer contributions equal to the increased employer contribution resulting from state legislation, agency action or decision. Any such adjustment shall be made effective as the date the legislation, agency action or decision becomes effective. To the extent the effective date of such legislation, agency action or decision is retroactive, then the adjustment in benefits provided in paragraph (c) shall also be retroactive.

* * *

Section 4. Conflict. All ordinances or parts of ordinances, all City Code Sections or parts of City Code sections, and all resolutions or parts of resolutions in conflict with this ordinance are hereby repealed to the extent of such conflict.

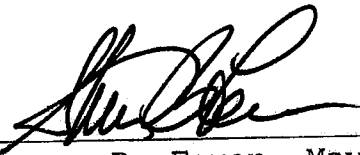
Section 5. Severability. Should any provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of the Ordinance as a whole, nor any part thereof, other than the part declared to be invalid.

Section 6. Inclusion in the City Code. It is the intention of the City Commission, and it is hereby ordained that the provisions of this Ordinance shall become and be made a part of the Code of the City of Sunrise, Florida.

Section 7. Effective Date. This Ordinance shall be effective immediately upon its passage.

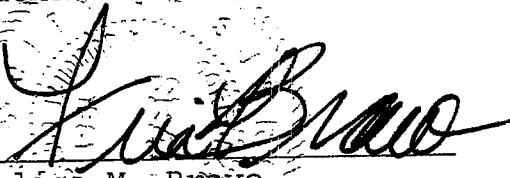
PASSED AND ADOPTED upon this first reading this 26TH day of JUNE 2007.

PASSED AND ADOPTED upon this second reading this 10TH day of JULY 2007.



Steven B. Feren, Mayor

Authentication:



Felicia M. Bravo
City Clerk

FIRST READING

Motion: ROSEN
Second: ALU

ALU: YEA
ROSEN: YEA
SCUOTTO: YEA
WISHNER: YEA
FEREN: YEA

SECOND READING

Motion: ALU
Second: SCUOTTO

ALU: YEA
ROSEN: YEA
SCUOTTO: YEA
WISHNER: YEA
FEREN: YEA

Approved by the City Attorney
as to Form and Legal Sufficiency.



Kimberly A. Register