

ORDINANCE NO. 1581

**AN ORDINANCE OF THE CITY OF PEMBROKE PINES, FLORIDA REVISING THE CITY'S POLICE AND FIRE PENSION PLAN BY SPECIFICALLY AMENDING §§34.36, 34.43, and 34.52 OF THE CITY CODE OF ORDINANCES TO INCORPORATE CERTAIN BENEFITS WHICH HAVE BEEN COLLECTIVELY BARGAINED; PROVIDING FOR THE APPLICATION OF THE STATE PREMIUM TAX DOLLARS FOR TOWARDS THE COST OF THE ENHANCED BENEFITS PROVIDED FOR HEREIN; PROVIDING FOR CODIFICATION; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, on October 18, 2006, the City Commission of the City of Pembroke Pines, Florida ("City") ratified a Collective Bargaining Agreement reached with the Broward County Police Benevolent Association; and

**WHEREAS**, the City Commission intends to amend the City's Police and Fire Pension Plan ("Plan") to effectuate the terms of this Collective Bargaining Agreement; and

**WHEREAS**, the City Commission desires to accept and approve such amendments to the Plan;

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

**SECTION 1.** The foregoing "WHEREAS" clauses are hereby ratified as being true and correct and incorporated herein by this reference. All exhibits attached hereto are hereby incorporated as though fully set forth herein.

**SECTION 2.** The City Commission of the City of Pembroke Pines hereby amends §§34.36, 34.43, and 34.52 of the City Code of Ordinances in accordance

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with the terms and conditions of the Collective Bargaining Agreement reached with the Local 2292, International Association of Firefighters and ratified on March 1, 2006 as follows:

**§ 34.36 DEFINITIONS.**

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

...

(3) ***AVERAGE MONTHLY EARNINGS.***

(a) For firefighter members, one-twelfth of the arithmetic average of annual earnings for the highest two years of service preceding the actual retirement or termination date of a member.

(b) For police officer members, one-twelfth of the arithmetic average of annual earnings for the highest two years of service preceding the actual retirement or termination date of a member calculated as follows:

(i) For any year ending prior to October 1, 2006, the member's average monthly earnings shall be calculated to include all overtime paid during such year.

(ii) For any year ending on or after October 1, 2006, the member's average monthly earnings shall be calculated to include only the first 300 hours of overtime paid during such year.

(iii) For any year that includes a portion before October 1, 2006, and portion on or after October 1, 2006, the member's average monthly earnings shall be calculated to include the greater of the following:

a. The overtime paid during the portion of the year ending before October 1, 2006; or

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b. The first 300 hours of overtime paid during the entire 12 month period.

(iv) Employee pension contributions shall be made on the first 300 hours of overtime paid each fiscal year.

(4) **AVERAGE MONTHLY REGULAR WAGES.** One-twelfth of the arithmetic average of annual regular wages coinciding with the highest two years of service preceding the actual retirement or termination date of a member, used in the average monthly earnings above.

...

(9) **EARNINGS.** Shall include wages, regular longevity paid to a member, and overtime includable in gross income of the member, voluntary deductions, or deferred compensation plan in accordance with Internal Revenue Code Section 457 and Chapter 175 and 185, Florida Statutes. Earnings may include payment of up to 1000 hours of accrued unused leave for those members who opt to select the benefits as provided in §34.52 below.

...

(17) **REGULAR WAGES.** Regular wages for firefighter members shall be defined as base pay including any incentive pay, regular longevity, assignment pay, and any current or future additional pensionable compensation, but excluding overtime, or accrued unused leave. Regular wages shall be used to calculate the maximum retirement benefit for members hired on or after April 1, 2006.

...

**§ 34.43 NORMAL RETIREMENT.**

(A) Eligibility for retirement under this section shall be defined as "Normal Retirement Status." A member may elect to retire as follows:

(1) On the first day of any month if coincident with, following with, or following the attainment of his or her fiftieth birthday and completion of 20 years of continuous service;

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(2) Effective on or after March 12, 1999, on the first day of any month coincident with or following the attainment of his or her fifty-fifth birthday and completion of 10 years of continuous service;

(3) For an employee who is eligible to and becomes a member as of February 19, 1981, on the attainment of his or her fifty-fifth birthday, regardless of the number of years of continuous service;

(4) For a police officer member, after completion of 20 years of continuous service regardless of age;

(5) Effective on or after October 1, 2000, for a police officer member, on the attainment of his or her fiftieth birthday and completion of 10 years continuous service;

(6) Effective on or after December 15, 1999, for a firefighter member, after completion of 20 years of continuous service regardless of age;

(7) Effective on or after December 15, 1999, for firefighter members, on the first day of any month coincident with or following the attainment of his or her fiftieth birthday and completion of 10 years of continuous service.

(8) Effective March 17, 2004, a police officer member who has completed 16 years of service, but no more than 20 years of service, may purchase an increase to the benefit multiplier to achieve a final retirement benefit not to exceed 80% of his or her average monthly earnings. Payment for such increase in the multiplier may be made, at the member's option, by a lump sum payment, direct in-service transfer from a member's deferred compensation account pursuant to Section 457(e)(17) of the Internal Revenue Code, or periodic payments bearing interest at the Plan's actuarially assumed rate of return made according to an installment payment schedule approved by the Board of Trustees, or a combination of the foregoing. Credit shall be awarded only for that service purchased and only upon receipt of payment. Credit for purchased service shall only be awarded upon the member's vesting. If the member separates from service with the city prior to vesting, all monies paid towards the purchase of such service shall be refunded to the member.

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(B) A member retiring hereunder on his normal retirement date shall receive a monthly benefit which shall commence on his normal retirement date and be continued thereafter during his lifetime. Effective only for terminations on or after March 12, 1999, in the event that the member dies after retirement but before receiving retirement benefits for a period of 120 months, 100% of the member's benefit will be paid to his beneficiary for the balance of the 120-month period. Upon his death, or, if applicable, expiration of the 120-month guarantee period, the full retirement benefit shall be continued to his spouse for one year and 50% of the amount continued thereafter until spouse's death.

(C) As of November 4, 1992, the amount of the benefit shall be 3% of average monthly earnings for the highest two years of continuous service multiplied by years of continuous service, subject in any event to a maximum of 80% of average monthly earnings for the highest two years of continuous service. However, members as of February 19, 1981 shall receive at their normal retirement date (age 55, regardless of years of continuous service) the greater of the benefit provided by the formula above or 50% of average monthly earnings for the highest two years of continuous service. In any event, effective as of March 12, 1999, the benefit cannot be less than 2% of average monthly earnings for each year of continuous service.

(D) As of October 1, 2000, the amount of the benefit multiplier for all police officer members shall increase to 4% for every year after the member's twentieth anniversary of participation in the pension system up to a maximum benefit as provided in § 34.43(C) of the Code of Ordinances.

(E) Retired police officers, and those disabled police officers receiving a benefit pursuant to §34.46 prior to October 1, 2006, or their beneficiaries, may be eligible to receive a supplemental pension distribution, the amount of which shall be determined as of September 30 each year. For police officer members who retired prior to October 1, 2003, the amount of the distribution shall be equal to the actuarial present value of future pension payments to such police officer retirees, multiplied by the positive difference, if any, between the investment rate of return and 8%, up to a maximum of 2%, divided equally among all police officer retirees determined by their years of service. For police officer retirees who retire on or after October 1, 2003 but before October 1, 2006, or their beneficiaries, the amount of the distribution shall be equal to the actuarial present value of future pension payments to such police officer retirees multiplied by the positive difference, if any, between the investment rate of

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return and 9%, up to a maximum of 2%, divided equally among all such police officer retirees determined by their years of service. No supplemental benefit shall be available for members who retire, enter the DROP or are disabled on or after October 1, 2006 or their beneficiaries. The determination of whether there may be a supplemental pension distribution shall be based upon the following factors:

(1) The actuary for the Pension Fund shall determine the rate of investment return earned on the pension fund assets during the 12 month period ending each September 30 and shall be the rate reported in the most recent actuarial report.

(2) The actuary for the Pension Fund shall, as of September 30, determine the actuarial present value of future pension payments to current police officers.

(3) The supplemental pension distribution amount shall not exceed accumulated net actuarial experience from all pension liabilities and assets.

(4) If there shall be a supplemental distribution, the Board of Trustees shall authorize a supplemental pension distribution, unless the administrative expenses of distribution exceed the amount available for distribution.

(5) The eligible persons to receive a supplemental distribution are retired police officers, including retired police officers participating in the DROP, and their beneficiaries.

(6) The supplemental pension distribution shall be allocated among eligible persons, based upon years of service in the proportion that the eligible person's years of service bear to the aggregate amount of years of service of all eligible persons.

(7) Each eligible person retired for less than a year is entitled to a pro rata share of their supplemental pension distribution based on the number of months retired. Such pensioner's beneficiary is entitled to a pro rata share of the deceased retiree's supplemental pension distribution for that year based on the number of months that the deceased retiree received a pension during the year ending the September 30 prior to the retiree's death.

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(8) For members who participate in the DROP as provided in § 35.52, the supplemental pension distribution, if distributed, shall be deposited in the member's DROP account during their term of participation in the DROP.

(F) Retired police officer members entitled to receive a supplemental check pursuant to §34.43(E) and who are not receiving a cost of living adjustment to their retirement benefit as of October 1, 2006 shall have a one time opportunity to make an irrevocable election to retain the right to continue to receive the supplemental check pursuant to §34.43(E) or an annual two percent (2%) cost of living increase to their retirement benefit in lieu of such supplemental check. The election must be made by December 31, 2006. If the retired member elects the cost of living adjustment such election shall apply retroactively to October 1, 2004.

(G) Police officer members who retired before October 1, 2006 or who are DROP participants as of October 1, 2006, who are entitled to receive a supplemental check pursuant to §34.43(E) and an annual 1.5% cost of living adjustment to their retirement benefit shall have a one time opportunity to make an irrevocable election to either retain the right to receive the supplemental check pursuant to §34.43(E) and the annual 1.5% cost of living adjustment to their retirement benefit or elect the option of receiving an annual 2.5% cost of living adjustment in lieu of the supplemental check and the annual 1.5% cost of living adjustment. This election must be made by December 31, 2006. If the retired member elects the increased annual cost of living adjustment in lieu of the right to receive the supplemental check as provided in §34.43(E), the cost of living adjustment shall apply retroactively to October 1, 2004.

(FH) Effective April 1, 2005 and April 1 of each year thereafter, firefighter retirees, their beneficiaries and DROP participants who were receiving benefits or enrolled in the DROP on June 18, 2003 will receive either a 2% increase to their retirement benefit or an adjustment equal to the total percentage increase in base wages, excluding performance or merit adjustments, provided in the collective bargaining agreement to bargaining unit members, for the city fiscal year commencing the preceding October 1, whichever is greater. This increase shall be applied to all monthly benefit payments for all participants (including retirees and DROP participants) and beneficiaries who were receiving benefits for at least one year prior to June 18, 2003. For those receiving benefits for less than one year prior to June 18, 2003, the increase shall be prorated. Members retiring or entering the DROP after June 18, 2003 will not receive annual

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adjustments to their benefits unless they elect the optional benefit set forth in § 34.52(D).

(G) Effective October 1, 2009, and October first of each year thereafter, police retirees who retired or entered the DROP on or after October 1, 2003, or their beneficiaries, will receive a 1.5% increase to their retirement benefit. Effective October 1, 2009, and October first of each year thereafter, police retirees who retired or entered the DROP on or after October 1, 2006, or their beneficiaries, will receive a 3.0% increase to their retirement benefit. This increase shall be applied to all monthly benefit payments for all participants (including retirees and DROP participants) and beneficiaries who were receiving benefits for at least one year from March 17, 2004. For those receiving benefits for less than one year from March 17, 2004, the annual increase shall be prorated.

(H) All firefighter members hired on or after April 1, 2006 will have the retirement benefit calculated to equal 4%, rather than the 3% set forth in §34.43(C), of average monthly earnings for the highest two years of continuous service multiplied by years of continuous service, subject in any event to a maximum of 80% of average monthly earnings for the highest two years of continuous service, but in no event shall the benefit exceed 98% of average monthly regular wages.

**§ 34.52      OPTIONAL BENEFITS.**

...

**(D)      CAREER      ANNIVERSARY      PENSION      RETIREMENT  
INCENTIVE OPTION.**

(1) For Ppolice officer members who elect to retire or enter the DROP upon, no earlier than attainment of age fifty (50) with ten (10) years of service and no later than completion of twenty (20) years of service regardless of age as set forth in section 34.43 hereof, shall receive the benefits as set forth below.

(2) In order to receive the following benefits, firefighter members who were members of the plan on June 18, 2003, when Ordinance number 1443 took effect, must retire or enter the DROP upon but not after attaining twenty (20) years of service unless they, before attaining twenty (20) years of service, have attained age fifty (50) with ten (10) years of service, in which case the member must retire or enter the DROP no earlier than

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attainment of age fifty (50) with ten (10) years of service and no later than attainment of twenty (20) years of service. Firefighter members who entered the pension fund after June 18, 2003 will receive the following benefits if they elect to retire or enter the DROP upon, but not after, attaining the earlier of the normal retirement age of twenty (20) years of service or age fifty (50) with ten years of service as set forth in §34.43 hereof.

~~(1)~~ (a) The amount of the benefit shall be four percent (4%), rather than the three (3%) set forth in section 34.43(C) hereof, of average monthly earnings for the highest two (2) years of continuous service multiplied by years of continuous service, subject in any event to a maximum of eighty percent (80%) of average monthly earnings for the highest two (2) years of continuous service.

(b) For firefighter members hired on or after April 1, 2006 the amount of the benefit shall be as calculated in §34.52(D)(1)(a) above and shall in no event exceed 98% of average monthly regular wages for the same highest two years of continuous service selected above and as defined in § 34.36(4) and § 34.36 (~~17~~) of the Code of Ordinances.

~~(23)~~ “Earnings” for purposes of calculating any benefits pursuant to the Career Anniversary Pension Retirement Incentive Option set forth in this section shall include payment for up to one thousand (1000) hours of accrued unused leave as set forth in “earnings” as defined in §34.36(9) hereof of the Code of Ordinances.

~~(34)~~ **Negotiated Adjustment to Pension Income.**

(a) For firefighter retirees:

~~(i)~~ (i) effective April 1, 2005, and April 1st of each year thereafter, retirees, their beneficiaries and DROP participants will receive either a two percent (2%) increase to their retirement benefit or an adjustment equal to the total percentage increase in base wages, excluding performance or merit adjustments provided in the collective bargaining agreement to bargaining unit members, for the city fiscal year commencing the preceding October 1st, whichever is greater. This increase shall be applied to all monthly benefit payments

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for all participants (including retirees and DROP participants) and beneficiaries who were receiving benefits for at least one (1) year from June 18, 2003.

(bii) Upon retirement, firefighter members who were hired on or after April 1, 2006 shall receive a fixed 3% increase to their monthly retirement benefit on April 1 of each year following retirement.

(eiii) Firefighter members who were hired prior to April 1, 2006 and retirees and DROP participants who were hired prior to April 1, 2006 shall within 60 days from the effective date of this Ordinance irrevocably elect to receive the negotiated adjustment to pension income as set forth in either (3)(a) or (3)(b) above.

(b) For police officer retirees:

(dj) Effective October 1, 2009, and October first of each year thereafter, police retirees who retired on or after October 1, 2003 or their beneficiaries will receive a 1.5% increase to their retirement benefit. This increase shall be applied to all monthly benefit payments for all participants (including retirees and DROP participants) and beneficiaries who were receiving benefits for at least one year from March 17, 2003. For those receiving benefits for less than one year from March 17, 2004, the increase shall be prorated.

(ii) Effective October 1, 2009, and October 1st of each year thereafter, retirees who retired or entered the DROP on or after October 1, 2006 or their beneficiaries will receive a three percent (3%) increase to their retirement benefit. This increase shall be applied to all monthly benefit payments for all participants (including retirees and DROP participants) and beneficiaries who were receiving benefits for at least one (1) year from October 1, 2008.

(ec) For those firefighter and police officer retirees receiving benefits for less than one year from the first Cost of Living Adjustment, the annual increase shall be prorated.

...

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**SECTION 3.** Pursuant to the agreement reached between the City and the Broward County Police Benevolent Association during negotiations for the pension benefits provided for herein below, the insurance premium tax dollars received from the State of Florida pursuant to the provisions of Chapter 175, Florida Statutes, shall be applied towards the cost of the enhanced pension benefits provided for herein.

**SECTION 4.** 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.

**SECTION 5.** 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 and effect.

**SECTION 6.** All Ordinances or parts of Ordinances, Resolutions or parts of Resolutions in conflict herewith be and the same are hereby repealed to the extent of such conflict.

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PROPOSED ORDINANCE NO. 2007-07

REVISION NO. 2

ORDINANCE NO. 1581

SECTION 7. This Ordinance shall become effective when all of the following have occurred:

- (a) the City Commission has received and has accepted a report establishing the actuarial soundness of these amendments; and
- (b) the amendments have been sent to the State of Florida Division of Retirement; and
- (c) when a collective bargaining agreement ratifying the foregoing changes to pension benefits has been ratified by the City Commission and the Broward County Police Benevolent Association, or its successor organization.

Upon satisfaction of all of the above requirements, then in that event, the terms and provisions of this Ordinance shall become effective.

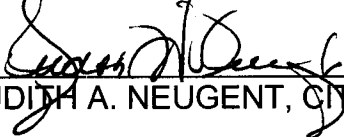
PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA ON THE FIRST READING THIS 2<sup>ND</sup> DAY OF MAY, 2007.

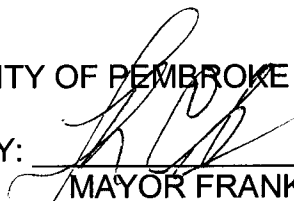
PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA ON THE SECOND READING THIS 16<sup>TH</sup> DAY OF MAY, 2007.

CITY OF PEMBROKE PINES, FLORIDA

ATTEST:

BY:

  
JUDITH A. NEUGENT, CITY CLERK

  
MAYOR FRANK C. ORTIS

ORTIS AYE

ARMSTRONG AYE

CASTILLO AYE

SHECHTER ABSENT

SIPLE AYE

APPROVED AS TO FORM:

  
OFFICE OF THE CITY ATTORNEY

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# City of Pembroke Pines, FL

## Agenda Request Form

10100 Pines Blvd.  
Pembroke Pines, Florida  
33026  
www.ppines.com

**Agenda Number: 2.**

**File Number:** 2007-07

**File Type:** Ordinance

**Status:** Passed

**Version:** 2

**Reference:**

**Controlling Body:** City Commission

**Requester:** Finance Director

**Cost:**

**Introduced:** 03/16/2007

**File Name:** Proposed Ordinance No. 2007-07

**Final Action:** 05/16/2007

**Title:** MOTION TO ADOPT PROPOSED ORDINANCE NO. 2007-07, REVISION 2, ON SECOND AND FINAL READING.

PROPOSED ORDINANCE NO. 2007-07, REVISION 2, IS AN ORDINANCE OF THE CITY OF PEMBROKE PINES, FLORIDA REVISING THE CITY'S POLICE AND FIRE PENSION PLAN BY SPECIFICALLY AMENDING §§34.36, 34.43, and 34.52 OF THE CITY CODE OF ORDINANCES TO INCORPORATE CERTAIN BENEFITS WHICH HAVE BEEN COLLECTIVELY BARGAINED; PROVIDING FOR THE APPLICATION OF THE STATE PREMIUM TAX DOLLARS FOR TOWARDS THE COST OF THE ENHANCED BENEFITS PROVIDED FOR HEREIN; PROVIDING FOR CODIFICATION; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

**Notes:**

**Attachments:** 1. Proposed Ordinance No. 2007-07, Rev 2, 2. Actuarial Impact Statement, Proposed Ordinance 2007-07, Rev 1 (do not print), Proposed Ordinance 2007-07 (do not print)

**Agenda Date:** 05/16/2007

**Agenda Number:** 2.

**Enactment Date:**

**Enactment Number:** 1581

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Commission	03/21/2007	table				Pass
	<b>Verbose Action:</b> the first reading of Proposed Ordinance No. 2007-07 until Commission receives and approves an actuarial study.						
	<i>PRIOR TO THE VOTE BEING TAKEN: On a motion by Commissioner Castillo, seconded by Vice Mayor Siple, to pass on first reading Proposed Ordinance No. 2007-07, no vote was taken.</i>						
			Aye: 5	Mayor Ortis, Vice Mayor Siple, Commissioner Armstrong, Commissioner Castillo and Commissioner Shechter			
			Nay: 0				
1		04/27/2007					
	<b>Verbose Action:</b>						