

1 The Rules Committee offers the following Second Substitute to file
2 no. 2014-386:

3
4 Introduced by Council President at the request of the Mayor and
5 Substituted by the Rules Committee:

6
7
8 **ORDINANCE 2014-386**

9 AN ORDINANCE PERTAINING TO CHAPTER 121 (POLICE
10 AND FIREFIGHTERS PENSION PLAN), ORDINANCE
11 CODE; CREATING SECTION 121.101(F); AMENDING
12 SECTION 121.102(E) (POLICE AND FIRE PENSION
13 PLANS) CREATING A NEW CATEGORY OF MEMBER KNOWN
14 AS A "GROUP II MEMBER" BASED UPON A DATE OF
15 HIRE ON OR AFTER THE PROSPECTIVE EFFECTIVE
16 DATE OF ORDINANCE 2014-386-E AND SECTION
17 121.113(A)(1), 121.113(A)(2), AND (B)
18 (CALCULATION OF PENSION CONTRIBUTIONS FOR
19 POLICE AND FIRE PENSION FUND) REVISING THE
20 CONTRIBUTION PERCENTAGES OF EXISTING POLICE
21 AND FIRE PENSION PLAN MEMBERS; CREATING
22 SECTION 121.114 (UNFUNDED ACTUARIAL LIABILITY;
23 MUTUAL CONTRIBUTIONS) TO OUTLINE THE MUTUAL
24 OBLIGATIONS OF THE CITY AND THE POLICE AND
25 FIRE PENSION FUND BOARD OF TRUSTEES IN
26 ADDRESSING THE UNFUNDED LIABILITY; CREATING
27 SECTION 121.115 (SUPPLEMENTAL SHARE PLAN);
28 CREATING SECTION 121.116 (BOARD OF TRUSTEES
29 INVESTMENT AUTHORITY) TO OUTLINE THE
30 INVESTMENT AUTHORITY OF THE POLICE AND FIRE
31 PENSION FUND BOARD OF TRUSTEES; CREATING

1 SECTION 121.117 (EXECUTIVE DIRECTOR
2 ADMINISTRATOR) TO OUTLINE THE QUALIFICATIONS
3 FOR FUTURE EXECUTIVE ADMINISTRATORS OF THE
4 POLICE AND FIRE PENSION FUND; CREATING SECTION
5 121.118 (USE OF GENERAL COUNSEL) TO OUTLINE
6 THE POLICE AND FIRE PENSION FUND'S USE OF THE
7 OFFICE OF GENERAL COUNSEL; AMENDING SECTION
8 121.201 (RETIREMENT BENEFITS) TO CREATE
9 SECTION 121.201A FOR "GROUP I MEMBERS" AND TO
10 CREATE SECTION 121.201B FOR "GROUP II MEMBERS"
11 TO OUTLINE THE PENSION BENEFITS EXTENDED TO
12 EACH GROUP, SECTION 121.204 (SURVIVING
13 SPOUSE'S BENEFITS), SECTION 121.206
14 (CHILDREN'S BENEFITS), AND SECTION 121.209
15 (DEFERRED RETIREMENT OPTION PROGRAM (DROP) FOR
16 GROUP I MEMBERS); CREATING NEW SECTION 121.211
17 (BACKDROP FOR GROUP II MEMBERS) TO ESTABLISH
18 THE BACKDROP PROGRAM OF PENSION BENEFITS
19 EXTENDED TO GROUP II MEMBERS; AMENDING CHAPTER
20 121 TO CREATE A NEW PART 5 (FINANCIAL
21 INVESTMENT AND ADVISORY COMMITTEE); AMENDING
22 CHAPTER 121 TO CREATE A NEW PART 6 (ETHICS,
23 FIDUCIARY RESPONSIBILITIES AND BEST
24 PRACTICES); AMENDING ARTICLE 22 (JACKSONVILLE
25 POLICE AND FIRE PENSION BOARD OF TRUSTEES) OF
26 THE CHARTER OF THE CITY OF JACKSONVILLE;
27 PROVIDING FOR RATIFICATION DISCLAIMER;
28 APPROVING THE 2014 RETIREMENT REFORM
29 AGREEMENT; ATTACHING THE REQUIRED ACTUARIAL
30 IMPACT STATEMENT; PROVIDING FOR A SUNSET
31 PROVISION; PROVIDING FOR A PROSPECTIVE

1 EFFECTIVE DATE OF THE ORDINANCE UNTIL A
2 PERMANENT FUNDING SOURCE HAS BEEN PROVIDED BY
3 THE MAYOR AND ENACTED BY ORDINANCE BY THE CITY
4 COUNCIL; PROVIDING AN EFFECTIVE DATE.

5 **WHEREAS**, the consolidated City of Jacksonville (the "City") has
6 both a Jacksonville Sheriff's Office and a Jacksonville Fire/Rescue
7 Department and seeks to continue to offer a retirement Plan to law
8 enforcement officers and firefighters that will provide appropriate
9 benefits and be financially stable; and

10 **WHEREAS**, the City seeks to continue to offer a competitive but
11 financially sustainable retirement Plan to law enforcement officers
12 and firefighters; and

13 **WHEREAS**, the retirement Plan for Jacksonville law enforcement
14 officers and firefighters is implemented by the Jacksonville Police
15 and Fire Pension Fund Board of Trustees (also referred to as the
16 "JPFPF", "Board" or "Pension Plan"), an independent agency of the
17 City of Jacksonville created by special act of the Florida
18 Legislature; and

19 **WHEREAS**, the Jacksonville Association of Firefighters (Local
20 122, International Association of Firefighters), which is the
21 collective bargaining agent for all firefighters and their ranked
22 superiors, and Fraternal Order of Police Lodge 5-30, which is the
23 collective bargaining agent for all law enforcement officers and
24 their ranked superiors, hereinafter referred to as the "Unions",
25 are bargaining units certified in accordance with Florida law that
26 presented waivers as to their right to collective bargaining on
27 pension benefits; and

28 **WHEREAS**, The Agreement, hereinafter known as the 2014
29 Agreement or Agreement, supersedes and replaces a series of
30 agreements commonly known as the "30 Year Settlement Agreement";
31 and

1 **WHEREAS**, the City and the Board (collectively referred herein
2 as "the Parties") have a shared desire to resolve those certain
3 outstanding retirement issues as set forth herein for the benefit
4 of taxpayers and Board members; and

5 **WHEREAS**, the Parties recognize and agree that it is in the
6 best interest of the members of the Board as well as the citizens
7 of the City of Jacksonville that those certain outstanding disputes
8 as related to the provisions herein be comprehensively and fully
9 resolved, without the need for further litigation; and

10 **WHEREAS**, the Parties represent that they will in good faith,
11 present and support the terms of the 2014 Pension Reform Agreement
12 (**attached hereto as Second Revised Exhibit 1**, labeled as "Second
13 Revised Exhibit 1, Second Rev Agmt, December 1, 2014 - Rules") to
14 their respective elected and/or appointed officials and use their
15 best efforts to obtain the approval of said officials necessary for
16 the implementation of the 2014 Pension Reform Agreement; and

17 **WHEREAS**, the Agreement and adoption of the ordinances
18 suggested therein will save the City of Jacksonville taxpayers at
19 least \$1.5 billion over the next 35 years; and

20 **WHEREAS**, the Parties agree to resolve these matters on the
21 terms and conditions set forth in the Agreement; and

22 **WHEREAS**, all prior settlement agreements between the Parties
23 and all amendments thereto are superseded and replaced by the terms
24 and conditions set forth pursuant to the terms of this Agreement;
25 and

26 **WHEREAS**, the Parties have agreed that the so-called "Thirty
27 Year Agreement", which includes all prior settlement agreements
28 between the Parties and all amendments thereto (i.e., 2000-1164-E,
29 2003-303-E, 2003-1338-E, and 2006-508-E), is superseded and
30 replaced by this Agreement, which will expire ten years after the
31 prospective effective date of this agreement, except for the

1 provisions in the 2014 Agreement labeled "Governance of the Police
2 and Fire Pension Fund," which will expire on September 30, 2030,
3 and nothing herein shall be construed as ratification or approval
4 of the "Thirty Year Agreement"; and

5 **WHEREAS**, upon the approval of the Agreement by both the Board
6 and the City (inclusive of City Council and the Mayor), the
7 Plaintiffs and Cross-Claim Plaintiff will file an agreed upon
8 consent judgment in Randall Wyse, et al. vs. City of Jacksonville,
9 et al., Case No.: 3:13-cv-121-J-34MCR; and

10 **WHEREAS**, the City of Jacksonville shall withdraw its impasse
11 notices before the Florida Public Employees Relations Commission
12 associated with 2012 pension negotiations with the Fraternal Order
13 of Police, Lodge 5-30 and the Jacksonville Association of Fire
14 Fighters, Local 122, case numbers SM-2012-078 and SM-2012-092
15 respectfully; and

16 **WHEREAS**, the City Council, for the benefit of all parties,
17 seeks to amend the ordinance code in order to incorporate some of
18 the provisions of the Agreement; and

19 **WHEREAS**, the Agreement provides for the amendment of the
20 Ordinance Code and Charter as necessary the issues resolved in the
21 Agreement; now, therefore,

22 **BE IT ORDAINED** by the Council of the City of Jacksonville:

23 **Section 1. Part 1, Chapter 121, Ordinance Code Amended; New**
24 **Section 121.101 (f) created; Sections 121.102(e) and 121.113**
25 **Amended; Sections 121.114, 121.115, 121.116, 121.117 and 121.118**
26 **Created.** Part 1, Chapter 121, *Ordinance Code*, is hereby amended;
27 Sections 121.101(f), 121.102(e) and 121.113, *Ordinance Code*, are
28 hereby amended, and Sections 121.114, 121.115, 121.116, 121.117 and
29 121.118, *Ordinance Code*, are hereby created, to read as follows:

30 **Chapter 121. POLICE AND FIREFIGHTERS PENSION PLAN**

31 **PART 1. POLICE AND FIRE PENSION FUND ADMINISTRATION**

1 who were hired by the City for full time employment prior to the
2 prospective effective date of Ordinance 2014-386-E and who have
3 enrolled in the Police and Fire Pension Plan and are contributing
4 to the Plan through payroll deduction.

5 (3) Group II Members: Are employees of the City of
6 Jacksonville who are hired by the City for full time employment on
7 or after the prospective effective date of Ordinance 2014-386-E and
8 who have enrolled in the Police and Fire Pension Plan and are
9 contributing to the Plan through payroll deduction.

10 (4) Group I Retirees: Are former Group I Members who are
11 retired under the terms of the Plan.

12 (5) Group II Retirees: Are former Group II Members who are
13 retired under the terms of the Plan.

14 (26) Qualified Members: Are ~~Group I Members~~ ~~employees of the~~
15 City who have elected to participate in the deferred retirement
16 option program under Section 121.209.

17 (37) Beneficiary or Beneficiaries: Are (i) with respect to
18 Group I Members, former active Group I Mmembers who have completed
19 five or more years of credited service as active members and have
20 either (1) vested their service for deferred retirement (Inactive
21 Beneficiary) or (2) have met time and service requirements for
22 retirement, or are retired as totally and permanently disabled
23 while an active member, or anyone receiving benefits as a surviving
24 spouse or minor child of a member (Active Beneficiary); or (ii)
25 with respect to Group II Members, former active Group II Members
26 who have completed ten or more years of credited service as active
27 members and have either (1) vested their service for retirement or
28 (2) have met time and service requirements for retirement, or are
29 retired as totally and permanently disabled while an active member,
30 or anyone receiving benefits as a surviving spouse or minor child
31 of a member (Active Beneficiary). In the case of the distribution

1 of DROP benefits for Group I Members, the estate of the Qualified
2 Member or former Qualified Member may also be considered to be a
3 beneficiary in the event that there is no surviving spouse.

4 * * *

5 **Sec. 121.113 Calculation of pension contributions for Police**
6 **and Fire Pension Fund.**

7 The Pension Fund created by Laws of Fla. Ch. 18615 (1937), as
8 amended, shall consist of moneys derived as follows:

9 (a) Salary Deductions.

10 (1) Group I Members. A deduction of ~~seven~~ eight percent
11 per annum, plus an additional two percent subject to the conditions
12 described within (i) and (ii) below, from all salaries (base
13 salary, longevity, City college incentive, enhanced certification
14 pay, emergency operation and hazardous duty pay; shift
15 differential, and "upgrade" pay; and excluding all overtime, state
16 incentive pay, reimbursed expenses and allowances such as
17 cleaning/clothes allowances, and payments for unused accrued time),
18 ~~of all members of the Police and Fire Departments participating in~~
19 ~~this fund, or who will become members hereafter~~ Group I Members, to
20 be deducted in installments from each periodical paycheck of each
21 ~~of these members~~ Group I Member., together with a sum equal to not
22 less than the minimum recommended contribution in the most recent
23 actuarial valuation of the fund expressed as a percent per annum of
24 all salaries (as defined above) of all members of the Police and
25 Fire Departments participating in this fund according to the amount
26 thereof as set up in the current budget in each year hereafter,
27 together with such additional sums as may be necessary to
28 administer this fund, which two latter amounts shall be designated
29 by the Board and certified to the Council for each fiscal year, and
30 the Council shall thereupon place the amount so designated in the
31 budget for the succeeding year and levy a tax therefor, if

1 ~~necessary; except that the City may in good faith challenge the~~
2 ~~City contribution designated by the Board. In the event of such a~~
3 ~~challenge, the Board's actuary and City's actuary shall agree on an~~
4 ~~impartial third actuary who shall resolve all disputes between the~~
5 ~~actuaries and whose decision shall be binding and final as between~~
6 ~~the Board and the City. The foregoing eight percent deduction shall~~
7 ~~be increased by two percent as follows:~~

8 (i) For Fire Members: On October 1, 2010, fire Members
9 received a general wage reduction of two percent. (See Agreement
10 Between the City of Jacksonville and the International Association
11 of Firefighters Local 122, October 1, 2009 through September 30,
12 2012.) In the first pay period, after the prospective effective
13 date of Ordinance 2014-386-E, which reflects a total general wage
14 increase of at least two percent over the general wages in effect
15 for fire Members as of October 1, 2010 (an increase which fully
16 restores the general wage reduction of October 1, 2010) the fire
17 Member's salary deduction will simultaneously increase to ten
18 percent.

19 (ii) For Police Members: On January 1, 2012, police Members
20 received a general wage reduction of three percent. (See Agreement
21 Between the City of Jacksonville and the Fraternal Order of the
22 Police, October 1, 2011 through September 30, 2014.) In the first
23 pay period, after the prospective effective date of Ordinance 2014-
24 386-E, which reflects a total general wage increase of at least two
25 percent over the general wages in effect for police Members as of
26 January 1, 2012 (an increase which fully restores two percent of
27 the January 1, 2012 three percent general wage reduction) the
28 police Member's salary deduction will simultaneously increase to
29 ten percent.

30 (2) Group II Members. A deduction of ten percent per
31 annum from all salaries (base salary, longevity, City college

1 incentive, enhanced certification pay, emergency operation and
2 hazardous duty pay; shift differential (provided that, the shift pay
3 included in the calculation may not exceed 125 percent of the shift
4 pay earned during the five years prior to the beginning of the
5 130th pay period immediately preceding retirement, adjusted for
6 promotion), and upgrade pay; and excluding all overtime, state
7 incentive pay, reimbursed expenses and allowances such as
8 cleaning/clothes allowances, and payments for unused accrued time),
9 of all Group II Members, to be deducted in installments from each
10 periodical paycheck of each Group II Member. The foregoing ten
11 percent per annum salary deduction shall also apply during the
12 BACKDROP period described in Section 121.211 for all eligible Group
13 II Members who elect the BACKDROP.

14 (b) The City shall contribute a sum equal to an amount not
15 less than the minimum recommended contribution in the most recent
16 actuarial valuation of the fund expressed as a percent per annum of
17 all salaries (as defined above) of all members of the Police and
18 Fire Departments participating in this fund according to the amount
19 thereof as set up in the current budget in each year hereafter,
20 together with such additional sums as may be necessary to
21 administer this fund, which two latter amounts shall be designated
22 by the Board and certified to the Council for each fiscal year, and
23 the Council shall thereupon place the amount so designated in the
24 budget for the succeeding year and levy a tax therefor, if
25 necessary; except that the City may in good faith challenge the
26 City contribution designated by the Board. In the event of such a
27 challenge, the Board's actuary and City's actuary shall agree on an
28 impartial third actuary who shall resolve all disputes between the
29 actuaries and whose decision shall be binding and final as between
30 the Board and the City.

31 (bc) Notwithstanding the deduction provided in subsection

1 (a)(1) of this Section, a deduction of two percent per annum shall
2 be made from all salaries (as defined in Section 121.113(a)(1)) of
3 Qualified Members in Group I who elect to participate in the
4 deferred retirement option program, with such amount being credited
5 to the Pension Fund's Ordinance 91-1017-605, Base Benefit Fund ~~from~~
6 ~~qualified members who elect to participate in the Deferred~~
7 ~~Retirement Option Program.~~

8 (ed) In addition to the above described pension
9 contributions, the fund shall receive all proceeds from the sale of
10 surplus, lost, abandoned and unclaimed property held by the Office
11 of the Sheriff, 30 percent of fines and court costs from charges of
12 violations heard in County Court and 30 percent of all parking
13 fines.

14 (de) The contributions made by each employee hereunder,
15 effective January 1, 1988, shall be designated as City
16 contributions pursuant to Section 414(h)(2) of the Internal Revenue
17 Code of 1986, as amended. Such designation is contingent upon the
18 contributions being excluded from the employee's gross income for
19 federal income tax purposes. The City's Section 414(h)(2)
20 contributions for each employee, effective January 1, 1988, shall
21 be considered as the employee's accumulated contributions subject
22 to refund under this subsection and to be taxable on return to the
23 employee either in a retirement allowance or upon refund at
24 termination pursuant to Section 72 or 402, IRC, as amended.

25 (ef) The application of the employer pick up provisions of
26 section 414(h)(2) of the Internal Revenue Code, as described above
27 in 121.113(e) shall also extend to elective contributions made by
28 payroll deduction installment payments for the purpose of securing
29 service credit for prior service or additional service. As used
30 herein, "elective contributions" shall include contributions
31 initiated under conditions wherein, (i) a member is eligible to

1 purchase credit for prior service under 121.107, ~~or~~ (ii) a former
2 member who received a refund of contributions previously made to
3 the fund who was subsequently rehired and again becomes a member
4 and elects to repurchase such prior broken service under 121.107,
5 or (iii) a member who is eligible to purchase service as a police
6 officer or firefighter within the State of Florida under
7 121.107(d), or (iv) a member who is eligible to purchase additional
8 permissive service credit for wartime military service under
9 121.208. However, direct payments made by the member for elective
10 contributions shall not qualify under the pick-up provisions. In
11 order to qualify for pre-tax treatment under Section 414(h)(2),
12 elective contributions paid via payroll deduction installment
13 payments must be made pursuant to the completion of a binding
14 irrevocable payroll authorization executed by the member. Such
15 employee contributions made through payroll deduction will be
16 picked up and paid by the City with the member having no option of
17 receiving such picked up amounts directly instead of having such
18 amounts contributed to the fund. The payroll deduction
19 authorization will state the number of pay periods during which the
20 deduction(s) will be made, the dollar amount of the deduction(s),
21 and that the plan will not accept direct payments from the member
22 while the payroll deduction is in effect.

23 (§g) For purposes of purchasing time service credits (or
24 "elective contributions" as defined in 121.113(f)), the fund will
25 additionally allow the lump sum amount of such purchases or
26 "elective contributions" to be alternatively made in the form of
27 the acceptance of a direct rollover of an eligible rollover
28 distribution from one or more of the providers of the Deferred
29 Compensation Plan administered by the City under Section 457 of the
30 I.R.C. effective January 1, 2002.

31 Sec. 121.114. Unfunded Actuarial Liability; Mutual

1 **Contributions; Florida Premium Tax Dollars.**

2 (a) As of the prospective effective date of Ordinance 2014-
3 386-E, the Police and Fire Pension Fund has an unfunded actuarial
4 liability. In order to begin alleviating such liability,
5 contributions shall be made by both the Board of Trustees and the
6 City, with each contribution contingent upon the other contribution
7 being made.

8 (b) Within 30 days following the prospective effective date of
9 Ordinance 2014-386-E, the Board will apply the entire balances in
10 the Enhanced Benefits Account and the City Budget Stabilization
11 Account to reduce the unfunded actuarial accrued liability of the
12 Plan. As of October 1, 2013, the total balance of both accounts was
13 \$60,915,907.00; however, the amount applied pursuant to this
14 section will be the actual balances of both accounts on the
15 prospective effective date of Ordinance 2014-386-E, but shall not
16 be less than \$60,915,907.00.

17 (c) Subject to implementation of a permanent funding source
18 in accordance with Section 12, herein and beginning with the first
19 fiscal year commencing after the prospective effective date of
20 Ordinance 2014-386-E and ending ten fiscal years later or when the
21 fund reaches an 80% funded status, whichever is sooner, the City
22 shall contribute \$40 million annually as an additional unfunded
23 liability payment; provided, the application of the balances in the
24 Enhanced Benefits Account and City Budget Stabilization Account
25 provided in paragraph (b) shall reduce the City's contributions
26 under this paragraph (c).

27 (d) The Florida Premium Tax Dollars (i.e., Chapter 175/185
28 Funds) will be allocated as follows: Beginning with the first
29 fiscal year commencing after the prospective effective date of
30 Ordinance 2014-386-E and ending seven fiscal years later, Board
31 shall annually allocate all Chapter 175/185 Funds, minus the

1 Chapter 175/185 funds used to provide the holiday bonus, at the
2 City's discretion for the benefit of the Plan, including without
3 limitation to fund base benefits, reduce the unfunded actuarial
4 accrued liability, or mitigate the City's annual required
5 contribution to the Plan. (As used herein, "holiday bonus" refers
6 to the annual discretionary Chapter 175/185 Fund bonus payment).

7 (e) (1) The contributions in subsection (c) and (d) shall be
8 contingent upon the other party making the payment noted in each
9 subsection. Should the contribution in subsection (c) or (d) be
10 less than that set forth in subsection (c) or (d), then the other
11 contribution shall be reduced pro rata.

12 (2) In any fiscal year in which the City does not make
13 the contribution set forth in subsection (c), the Board may use the
14 Chapter 175/185 funds to either: (i) pay down the unfunded
15 liability as a contribution above those otherwise required or
16 (ii) fund a share plan as established in Section 121.115 or (iii)
17 pay the holiday bonus. (As used herein, "holiday bonus" refers to
18 the annual discretionary Chapter 175/185 Fund bonus payment
19 identified in City Ordinance 2006-508-E.) The share plan created
20 herein will be governed by the rules and regulation in Section
21 121.115. The share plan will remain unfunded until the
22 requirements outlined in this section have been met.

23 (3) After the Seventh fiscal year after the prospective
24 effective date of Ordinance 2014-386-E, the Board may use the
25 Florida Premium Tax Dollars to either: (i) pay down the unfunded
26 liability as a voluntary contribution or (ii) fund a share plan
27 as established in Section 121.115 or (iii) pay the holiday bonus.
28 (As used herein, "holiday bonus" refers to the annual
29 discretionary Chapter 75/185 Fund bonus payment identified in
30 City Ordinance 2006-508-E.)

1 (f) As an alternative to the provisions of subsection (c), the
2 City may, at any time, contribute an additional unfunded liability
3 payment in an amount equal to the then equivalent present value of
4 payments due and owing under subsection (c).

5 **Sec. 121.115. Supplemental Share Plan.**

6 (a) *Supplemental share plan retirement benefit.* A supplemental
7 share plan retirement benefit ("Share Plan") is hereby created. The
8 Share Plan shall consist of an individual share account for each
9 active police officer or firefighter ("Participant") on or after
10 the prospective effective date of Ordinance 2014-386-E. The sole
11 source of funds for the Share Plan shall be Florida Premium Tax
12 Dollars (i.e., Chapter 175/185 Funds) distributed pursuant to
13 Section 121.114. The Board may deposit into the Share Plan only
14 those monies identified in Section 121.114(e)(3) and only when in
15 conformance with the requirements of Section 121.114(d) and (e).
16 The Share Plan shall remain dormant until such time as the Board
17 makes its first deposit pursuant to Section 121.114(e)(3).

18 (b) Participant Share Plan accounts shall be credited with
19 premium tax revenues and investment earnings or losses, and
20 interest, and distributed as follows:

21 (c) *Annual crediting.* Effective January 1 after the first year
22 in which the Board has made its first contribution to the Share
23 Plan pursuant to Section 121.114(e)(3) and each January 1
24 thereafter, the Share Plan account of each active Participant on
25 the city's payroll as of the preceding September 30th shall be
26 credited as follows: Each active Participant who was employed on
27 the preceding September 30th shall receive one share for the plan
28 year ending on the same September 30th. The total number of shares
29 thus determined shall be divided into the premium tax revenues
30 received by the Share Plan during that plan year to determine the
31 amount to be credited to the Share Plan account of each eligible

1 Participant. Participants who had less than one year of service on
2 September 30th shall receive prorated shares for each full month of
3 service based on their partial year of service prior to September
4 30. Chapter 175 premium taxes shall be separately distributed to
5 firefighter Participants and Chapter 185 premium taxes shall be
6 separately distributed to police officer Participants.

7 (d) *Investment earnings and losses, or interest.* Effective the
8 first January 1 after the Board makes its first contribution to the
9 Share Plan, and each January 1 thereafter, the Share Account of
10 each active Participant shall be credited or debited with earnings
11 or losses based upon the amount in the Share Account at the close
12 of the immediately preceding calendar year at a rate equal to the
13 pension plan's actual net rate of investment return for the
14 preceding plan year.

15 (e) *Distribution of share accounts.* A Participant with ten
16 (10) or more years of credited service with the City, upon
17 termination of creditable service employment, shall be eligible to
18 receive a distribution of 100 percent of the balance in his or her
19 Share Account, together with all earnings and losses and interest
20 credited to the Share Account through the date of termination of
21 employment. No benefit shall be payable to a Participant who
22 terminates creditable service employment with fewer than ten (10)
23 years of credited service. The Share Account balances of such non-
24 vested terminated members shall be redistributed among all eligible
25 Participants' Share Accounts in the same manner as premium tax
26 revenues in the following calendar year. The designated beneficiary
27 of a Participant who has died shall receive the accumulated total
28 of their Share Account balance. A Participant awarded a disability
29 pension from the pension plan shall receive the accumulated total
30 of their Share Account balance. Payment of Share Account benefits
31 shall be by lump sum, which shall consist of the accumulated total

1 balance of the active Participant's Share Account, or, at the
2 Participant's direction, the Share Account balance may be rolled
3 over to another qualified plan in accordance with the Internal
4 Revenue Code, with an additional payment made for any amount
5 credited in the year following termination of employment.

6 **Sec. 121.116. Board of Trustees' Investment Authority.**

7 (a) The Board of Trustees is authorized to invest and reinvest
8 the assets of the Pension Fund in any lawful investment as provided
9 in applicable provisions of s.112.661, 175.071, 185.06, 215.47,
10 Florida Statutes, and, is further authorized to invest in
11 alternative investments, alternative investment vehicles and
12 portfolio positions, as those terms are defined in this section.

13 (b) Investments in hedge funds are prohibited.

14 (c) No investment shall be permitted except pursuant to a
15 written investment policy adopted by the Board of Trustees as
16 provided in chapter 112, part VII, Florida Statutes. Prior to the
17 adoption of any change in asset allocation or the introduction of a
18 new asset class, the Board of Trustees shall give 10 days written
19 notice of the meeting at which the proposed change shall be
20 considered to the City Council Finance Committee.

21 (d) For the purposes of this section, the following terms have
22 the following definitions:

23 (1) "Alternative investment" means an investment by the
24 Board of Trustees in a private equity fund to include all of the
25 private equity sub-strategies, including venture capital,
26 distressed investing, private debt/mezzanine debt, private real
27 assets/natural resources/energy, venture fund, or distress fund or
28 a direct investment in a portfolio company through an investment
29 manager or general partner.

30 (2) "Alternative investment vehicle" means the limited
31 partnership, limited liability company, or similar legal structure

1 or investment manager through which the board invests in a
2 portfolio company.

3 (3) "Portfolio company" means a corporation or other
4 issuer, any of whose securities are owned by an alternative
5 investment vehicle or the Board of Trustees and any subsidiary of
6 such corporation or other issuer.

7 (4) "Portfolio positions" means individual investments in
8 portfolio companies which are made by the alternative investment
9 vehicles.

10 (5) "Proprietor" means an alternative investment vehicle,
11 a portfolio company in which the alternative investment vehicle is
12 invested.

13 (e) The Board of Trustees is authorized to make the same
14 investments the General Employee Pension Fund or the Correctional
15 Officers Pension Fund are permitted to make.

16 **Sec. 121.117. Executive Director-Administrator.**

17 (a) The selection of any Executive Director-Administrator of
18 the Jacksonville Police and Fire Pension Fund Board of Trustees
19 shall be governed by a professional process subject to Florida law
20 in which the candidate shall be selected by the Board using the
21 City Employee Services Department's search and selection processes,
22 and, if necessary, utilizing the assistance of an executive search
23 firm retained by the Board of Trustees. A salary and benefits
24 survey should be conducted prior to advertising for the position in
25 order to establish a compensation level comparable to funds of
26 similar size and complexity to the Fund. In addition to the
27 requirements of applicable law, candidates will be required to have
28 a minimum of five years of pension administration or institutional
29 investment experience, expertise in the oversight of investment
30 portfolios, and a degree in finance, economics, accounting or a
31 related area of study from an accredited university. Comparable

1 experience administering the activities of a state or local public
2 pension plan will also be considered. Candidates who are CPAs or
3 who have a JD, MBA or CFA degree will be preferred. This section
4 shall not apply to anyone holding the position of Executive
5 Director-Administrator at the time of the enactment of this
6 section.

7 (b) As part of the selection of any future Board of Trustees'
8 Executive Director-Administrator, the aggregate compensation of the
9 Executive Director-Administrator shall be determined in accordance
10 with the market analysis of comparably-sized public pension plans
11 as noted in subsection (a). The City and Board of Trustees shall
12 ensure that any future Executive Director-Administrator and any
13 senior management employee shall be placed in either the City
14 General Employees' Pension Fund or a defined contribution plan with
15 the Board of Trustees' employer contribution subject to the limits
16 of federal law.

17 **Sec. 121.118. Use of General Counsel.** The parties agree that
18 while the Charter gives the Board the authority to employ separate
19 legal counsel, the City's Office of General Counsel (the "OGC") is
20 the proper source for legal representation on routine matters
21 (e.g., open records, public meetings, and other ordinary legal
22 issues). The parties acknowledge and agree that separate counsel is
23 and will be necessary regarding investments, pension and/or
24 retirement related matters. The Board and the OGC shall consult on
25 needs for separate counsel for other specific purposes. The parties
26 agree that the current legal counsel structure and fees is
27 reasonable and appropriate. In the event that parties should in the
28 future be unable to agree regarding the selection or use of
29 separate legal counsel nothing contained in this provision is
30 intended to be nor should be construed as a waiver of any rights
31 either party may otherwise have under the Charter or Florida Law.

1 Section 2. Part 2, Chapter 121 Amended; Section 121.201
2 Amended; Sections 121.201A and 121.201B Created; Sections 121.204,
3 121.206 and 121.209 Amended; Section 121.211 Created. Part 2,
4 Chapter 121, *Ordinance Code*, is hereby amended; Section 121.201,
5 *Ordinance Code*, is hereby amended; Sections 121.201A and 121.201B,
6 *Ordinance Code*, are hereby created; Sections 121.204, 121.206 and
7 121.209, *Ordinance Code*, are amended; and Section 121.211,
8 *Ordinance Code*, is hereby created; to read as follows:

9 **Chapter 121. POLICE AND FIREFIGHTERS PENSION PLAN**

10 **PART 2. PENSION BENEFITS**

11
12 **Sec. 121.201. Retirement benefits.**

13 Notwithstanding any provisions to the contrary in Chapter 18615,
14 Laws of Fla. Ch. 18615 (1937), and ~~to provide for an increase in~~
15 ~~the benefits thereby provided:~~ retirement benefits shall be as
16 defined and set forth in Section 121.201A and Section 121.201B.

17 ~~(a) Time service retirement. Members shall be entitled to a time~~
18 ~~service retirement benefit equal to a maximum of 80 percent of the~~
19 ~~average salary (as defined in Section 121.113 (a)) received by the~~
20 ~~member for the 52 pay periods immediately preceding the time of~~
21 ~~retirement, upon the completion of 30 years of credited service.~~
22 ~~For each year prior to the thirtieth year of service that a member~~
23 ~~retires, the 80 percent retirement benefit shall be reduced by two~~
24 ~~percent, of the average salary (as defined in Section 121.113 (a))~~
25 ~~received by the member for the 52 pay periods immediately preceding~~
26 ~~the time of retirement, with the minimum normal retirement benefit~~
27 ~~being 60 percent after completion of 20 years of credited service.~~

28 ~~(b) Disability retirement.~~

29 ~~(1) Any member, who prior to reaching the minimum normal retirement~~
30 ~~becomes permanently and totally disabled from useful and efficient~~
31 ~~service as a police officer or firefighter, as established by~~

1 ~~competent medical evidence, shall be entitled to a disability~~
2 ~~retirement. The disability retirement benefit shall be equal to 60~~
3 ~~percent of the average salary received by the member for the 52 pay~~
4 ~~periods immediately preceding the time of disability retirement.~~
5 ~~The Board shall establish the effective date on which the~~
6 ~~disability benefit shall commence. The Board shall, by rule,~~
7 ~~establish procedures for the examination of applicants for~~
8 ~~disability retirement, for the conduct of disability retirement~~
9 ~~hearings, for review of said hearings by a court of competent~~
10 ~~jurisdiction, and reexamination of retirees on disability pension.~~
11 ~~In the event the application for a disability pension is denied by~~
12 ~~the Board, then a new application for the same disability cannot be~~
13 ~~filed by the member within six months of the denial.~~

14 ~~(2) Any member of the pension funds created by these acts who has~~
15 ~~been in the service of the City for a period of time equal to the~~
16 ~~minimum time necessary for time service retirement or more and~~
17 ~~becomes permanently and totally disabled from useful and efficient~~
18 ~~service shall be entitled to the same rate of pension benefit~~
19 ~~calculation of the average salary (as defined in Section 121.113~~
20 ~~(a)) received by the member for the 52 pay periods immediately~~
21 ~~preceding the time of disability retirement as those members of his~~
22 ~~pension plan who retire on time service retirement. Any member who~~
23 ~~elects to retire under a disability pension as provided in this~~
24 ~~Section shall be required to meet the same requirements for a~~
25 ~~disability pension as are required for any other member of the~~
26 ~~respective fund requesting a disability retirement. The Board shall~~
27 ~~establish the effective date on which the disability benefit shall~~
28 ~~commence.~~

29 ~~(3) In applying the provisions of this Section, the adjustment~~
30 ~~supplement described in 121.201 (d)(2) that is calculated for the~~
31 ~~benefit of a member and a surviving spouse shall be based upon the~~

1 actual years of credited service, subject to the minimum and
2 maximum provisions, rendered by the member.

3 ~~(4) The Board shall establish the effective date on which the~~
4 ~~disability benefit shall commence. The Board shall, by rule,~~
5 ~~establish procedures for the examination of applicants for~~
6 ~~disability retirement, for the conduct of disability retirement~~
7 ~~hearings, for review of said hearings by a court of competent~~
8 ~~jurisdiction, and re-examination of retirees on disability pension.~~
9 ~~In the event the application for a disability pension is denied by~~
10 ~~the Board, a new application for the same disability cannot be~~
11 ~~filed by the member within six months of the denial.~~

12 ~~(c) Vested retirement benefits.~~

13 ~~(1) Members who terminate employment on or after the effective date~~
14 ~~of this Ordinance with five or more years of credited service and~~
15 ~~are not otherwise eligible to retire, are eligible to receive~~
16 ~~either a deferred retirement benefit of three percent of the~~
17 ~~average salary received by the member for the 52 pay periods~~
18 ~~immediately preceding the date of vesting, for each year of~~
19 ~~credited service prior to the date of vesting, to commence on the~~
20 ~~date the member would have been eligible to receive minimum time~~
21 ~~service benefits or be paid a refund of 100 percent of member~~
22 ~~contributions to the Plan without interest. Within 30 days of a~~
23 ~~member leaving the payroll prior to normal service retirement, the~~
24 ~~member must make the election in writing to either vest or the~~
25 ~~refund will be issued automatically. Acceptance of the refund of~~
26 ~~employee contributions constitutes an irrevocable waiver of all~~
27 ~~rights to benefits from the Plan.~~

28 ~~(2) In the event that the Member who is entitled to vested~~
29 ~~retirement benefits becomes deceased prior to the scheduled date~~
30 ~~for the commencement of the payment of retirement benefits, the~~
31 ~~surviving spouse and/or children of such Member shall not be~~

1 ~~entitled to a refund of contributions nor shall they be entitled to~~
2 ~~the payment of survivors benefits otherwise extended to Members who~~
3 ~~completed the required number of years of service to become~~
4 ~~eligible for minimum time service benefits.~~

5 ~~(3) Members who are entitled to receive vested retirement benefits~~
6 ~~are not eligible to qualify for potential enhancements pursuant to~~
7 ~~the minimum monthly pension provisions of section 121.301.~~

8 ~~(d) Cost of Living Adjustments.~~

9 ~~(1) A Cost of Living Adjustment (COLA) based on each prior annual~~
10 ~~benefit amount actually received (exclusive of onetime bonuses or~~
11 ~~adjustments) shall be provided for retirees and survivors.~~
12 ~~Beginning with the first bi-weekly pay period after January 1,~~
13 ~~2007, and for the first bi-weekly pay period after each succeeding~~
14 ~~January 1, the recipient shall be granted a COLA in the amount of~~
15 ~~three (3) percent.~~

16 ~~(2) In addition to the COLA, a minimum adjustment supplement of~~
17 ~~five (5) dollars per month for each year of actual credited service~~
18 ~~of the participant used to compute the pension benefit shall be~~
19 ~~provided for current and future retirees and their survivors, and~~
20 ~~it shall be paid beginning with the first full biweekly pay period~~
21 ~~after October 1, 2003, and continuously thereafter; provided~~
22 ~~however that such supplement shall be no less than twenty-five (25)~~
23 ~~dollars nor more than one hundred and fifty (150) dollars per~~
24 ~~month. The adjustment supplement described herein shall be based~~
25 ~~upon the member's actual years of service rather than imputed years~~
26 ~~of service, which is used for purposes of calculating pension~~
27 ~~benefits under the disability retirement provisions of section~~
28 ~~121.201(b) and the surviving spouse provision of section~~
29 ~~121.204(a), and becomes operative in the event of the disability or~~
30 ~~death of a member, respectively. The Mayor shall annually, each~~
31 ~~January, evaluate the annual cost of the foregoing adjustment~~

1 supplement by comparing it to the City's annual cost to provide
2 single employee group health insurance. In the event that the
3 City's cost to provide such health insurance per employee is less
4 than the amount of such supplement per retiree, then the supplement
5 shall be reduced to the amount of the insurance cost.

6 (e) ~~Deferred Retirement Option Program (DROP). A member eligible~~
7 ~~to receive normal retirement benefits as provided in Section~~
8 ~~121.201 (a), may remain in the employment of the City until the~~
9 ~~elected termination date by electing to participate in the DROP, as~~
10 ~~provided in Section 121.209, deferring the receipt of such~~
11 ~~retirement benefits for a maximum of 130 full bi-weekly pay periods~~
12 ~~(60 months) from the date of participation in the Deferred~~
13 ~~Retirement Option Program.~~

14 (f) ~~Limitations on benefits. Notwithstanding any benefit granted~~
15 ~~hereunder or under any other provision relating to benefits under~~
16 ~~the Police and Fire Pension Plan, benefit payments for any Member~~
17 ~~shall not exceed the maximum amount permitted under Section 415 of~~
18 ~~the Internal Revenue Code of 1986, as amended.~~

19 (g) ~~Annual Compensation Limit. Section 401(a)(17) of the Internal~~
20 ~~Revenue Code establishes an annual compensation limit for each~~
21 ~~employee under a qualified plan. The provisions of Code Section~~
22 ~~401(a)(17) are further described pursuant to Treasury Regulations~~
23 ~~Section 1.401(a)(17)-1. The Police and Fire Pension Plan~~
24 ~~incorporates by reference the annual compensation limit described~~
25 ~~under Section 401 (a)(17) and Treasury Regulations Section~~
26 ~~1.401(a)(17)-1. Accordingly, the Plan acknowledges that the~~
27 ~~compensation taken into account for any Member of the Plan in~~
28 ~~determining plan allocations or benefit accruals for the plan is~~
29 ~~limited to the annual compensation limit as described in Internal~~
30 ~~Revenue Code Section 401(a)(17) and the Treasury Regulations~~
31 ~~related thereto. The Plan additionally elects to avail itself of~~

1 the transition rule for governmental plans as described in Treasury
2 Regulation Section 1.401(a)(17)-1(d)(4)(ii) which provides that
3 'eligible participants', as such term is used in the regulations,
4 will not be affected by the revised limit per the 1993 OBRA and
5 accordingly such 'eligible participants' may have their
6 contributions and benefits computed by using compensation of more
7 than \$150,000.00 (as adjusted), so long as it does not exceed the
8 limit in effect on July 1, 1993. All other plan participants ('non-
9 eligible participants') shall be subject to the revised limits for
10 plan years beginning after December 31, 1995.

11 (h) Requirements that Actuarial Assumptions be specified. Section
12 401(a)(25) of the Internal Revenue Code provides that whenever the
13 amount of any benefit is to be determined on the basis of actuarial
14 assumptions, such assumptions are specified in the plan in a way
15 which precludes employer discretion. The provisions of Code
16 Section 401(a)(25) and the linkage between the proper use of
17 actuarial assumptions and the conclusion that the plan is
18 established and maintained primarily to provide systematically for
19 the payment of 'definitely determinable benefits' to employees, is
20 further described pursuant to Treasury Regulations Section 1.401-
21 1(b)(1)(i). The Police and Fire Pension Plan incorporates by
22 reference the requirements that actuarial assumptions be specified
23 as described under Code Section 401(a)(25) and Treasury Regulations
24 Section 1.401-1(b)(1)(i).

25 (i) Required distributions. Distributions from the Plan will be
26 made in accordance with the requirements of the regulations under
27 Internal Revenue Code Section 401(a)(9) and that any provisions in
28 the Plan that are contradictory to the distribution requirements
29 shall be overridden. In accordance therewith, distributions to
30 participants must commence by the later of April 1 of the calendar
31 year following the calendar year in which the employee attains the

1 age of 70 ½, or April 1 of the calendar year following the calendar
2 year in which the employee retires. In addition to meeting the
3 minimum distribution amount, the distribution must also meet the
4 incidental benefit requirements of Internal Revenue Code Section
5 401(a)(9)(g) and Proposed Regulations Sections 1.401(a)(9)-1 and
6 1.401(a)(9)-2.

7 **Sec. 121.201A Retirement Benefits for Group I Members.**

8 This Section 121.201A applies solely to Group I members.
9 Nothing herein shall be construed to apply to Group II members.

10 The following definitions are applicable to Group I members:

11 (a) Time service retirement.

12 (1) For members with 10 or more years of service as of the
13 prospective effective date of Ordinance 2014-386-E, those Members
14 shall be entitled to a time service retirement benefit equal to a
15 maximum of 80 percent of the average salary (as defined in Section
16 121.113 (a)(1)) received by the member for the 52 pay periods
17 immediately preceding the time of retirement, upon the completion
18 of 30 years of credited service. For each year prior to the
19 thirtieth year of service that a member retires, the 80 percent
20 retirement benefit shall be reduced by two percent, of the average
21 salary (as defined in Section 121.113 (a)(1)) received by the
22 member for the 52 pay periods immediately preceding the time of
23 retirement, with the minimum normal retirement benefit being 60
24 percent after completion of 20 years of credited service.

25 (2) For members with fewer than 10 years of service as of the
26 prospective effective date of Ordinance 2014-386-E, those Members
27 shall be entitled to a time service retirement benefit equal to a
28 maximum of 80 percent of the average salary (as defined in Section
29 121.113 (a)(1)) received by the member for the 104 pay periods
30 immediately preceding the time of retirement, upon the completion
31 of 30 years of credited service. For each year prior to the

1 thirtieth year of service that a member retires, the 80 percent
2 retirement benefit shall be reduced by two percent, of the average
3 salary (as defined in Section 121.113 (a)(1)) received by the
4 member for the 104 pay periods immediately preceding the time of
5 retirement, with the minimum normal retirement benefit being 60
6 percent after completion of 20 years of credited service. However,
7 in no event shall the average salary be less than it would have
8 been using the 52 pay periods ending on the prospective effective
9 date of Ordinance 2014-386-E.

10 (b) Disability retirement.

11 (1) A Group I member, who prior to reaching the minimum normal
12 retirement becomes permanently and totally disabled from useful and
13 efficient service as a police officer or firefighter, as
14 established by competent medical evidence, shall be entitled to a
15 disability retirement. The disability retirement benefit for
16 members with 10 years of service as of the prospective effective
17 date of Ordinance 2014-386-E shall be equal to 60 percent of the
18 average salary received by the member for the 52 pay periods
19 immediately preceding the time of disability retirement. The
20 disability retirement benefit for members with fewer than 10 years
21 of service as of the prospective effective date of Ordinance 2014-
22 386-E shall be equal to 60 percent of the average salary received
23 by the member for the 104 pay periods immediately preceding the
24 time of disability retirement. However, in no event shall the
25 average salary be less than it would have been using the 52 pay
26 periods ending on the prospective effective date of Ordinance 2014-
27 386-E. The Board shall establish the effective date on which the
28 disability benefit shall commence. The Board shall, by rule,
29 establish procedures for the examination of applicants for
30 disability retirement, for the conduct of disability retirement
31 hearings, for review of said hearings by a court of competent

1 jurisdiction, and reexamination of retirees on disability pension.
2 In the event the application for a disability pension is denied by
3 the Board, then a new application for the same disability cannot be
4 filed by the member within six months of the denial.

5 (2) For Group I members with 10 or more years of service as of the
6 prospective effective date of Ordinance 2014-386-E, who have been
7 in the service of the City for a period of time equal to the
8 minimum time necessary for time service retirement or more and
9 become permanently and totally disabled from useful and efficient
10 service shall be entitled to the same rate of pension benefit
11 calculation of the average salary (as defined in Section 121.113
12 (a)(1)) received by the member for the 52 pay periods immediately
13 preceding the time of disability retirement as those members of his
14 pension plan who retire on time service retirement. For Group I
15 members with fewer than 10 years of service as of the prospective
16 effective date of Ordinance 2014-386-E, who have been in the
17 service of the City for a period of time equal to the minimum time
18 necessary for time service retirement or more and become
19 permanently and totally disabled from useful and efficient service
20 shall be entitled to the same rate of pension benefit calculation
21 of the average salary (as defined in Section 121.113 (a)(1))
22 received by the member for the 104 pay periods immediately
23 preceding the time of disability retirement as those members of his
24 pension plan who retire on time service retirement. However, in no
25 event shall the average salary be less than it would have been
26 using the 52 pay periods ending on the prospective effective date
27 of Ordinance 2014-386-E. Any member who elects to retire under a
28 disability pension as provided in this Section shall be required to
29 meet the same requirements for a disability pension as are required
30 for any other member of the respective fund requesting a disability
31 retirement. The Board shall establish the effective date on which

1 the disability benefit shall commence.

2 (3) In applying the provisions of this Section, the adjustment
3 supplement described in 121.201A(d)(2) that is calculated for the
4 benefit of a member and a surviving spouse shall be based upon the
5 actual years of credited service, subject to the minimum and
6 maximum provisions, rendered by the member.

7 (c) Vested retirement benefits.

8 (1) For Group I members with 10 or more years of service as of the
9 prospective effective date of Ordinance 2014-386-E, who terminate
10 employment on or after the prospective effective date of Ordinance
11 2014-386-E with five or more years of credited service and are not
12 otherwise eligible to retire, are eligible to receive either a
13 deferred retirement benefit of three percent of the average salary
14 received by the member for the 52 pay periods immediately preceding
15 the date of vesting, for each year of credited service prior to the
16 date of vesting, to commence on the date the member would have been
17 eligible to receive minimum time service benefits or be paid a
18 refund of 100 percent of member contributions to the Plan without
19 interest. For Group I members with fewer than 10 years of service
20 as of the prospective effective date of Ordinance 2014-386-E, who
21 terminate employment on or after the prospective effective date of
22 Ordinance 2014-386-E with five or more years of credited service
23 and are not otherwise eligible to retire, are eligible to receive
24 either a deferred retirement benefit of three percent of the
25 average salary received by the member for the 104 pay periods
26 immediately preceding the date of vesting, for each year of
27 credited service prior to the date of vesting, to commence on the
28 date the member would have been eligible to receive minimum time
29 service benefits or be paid a refund of 100 percent of member
30 contributions to the Plan without interest. However, in no event
31 shall the average salary be less than it would have been using the

1 52 pay periods ending on the prospective effective date of
2 Ordinance 2014-386-E. Within 30 days of a member leaving the
3 payroll prior to normal service retirement, the member must make
4 the election in writing to either vest or the refund will be issued
5 automatically. Acceptance of the refund of employee contributions
6 constitutes an irrevocable waiver of all rights to benefits from
7 the Plan.

8 (2) In the event that the Member who is entitled to vested
9 retirement benefits becomes deceased prior to the scheduled date
10 for the commencement of the payment of retirement benefits, the
11 surviving spouse and/or children of such Member shall not be
12 entitled to a refund of contributions nor shall they be entitled to
13 the payment of survivors benefits otherwise extended to Members who
14 completed the required number of years of service to become
15 eligible for minimum time service benefits.

16 (3) Members who are entitled to receive vested retirement benefits
17 are not eligible to qualify for potential enhancements pursuant to
18 the minimum monthly pension provisions of section 121.301.

19 (d) Cost of Living Adjustments.

20 (1) A Cost of Living Adjustment (COLA) based on each prior annual
21 benefit amount actually received (exclusive of onetime bonuses or
22 adjustments) shall be provided for retirees and survivors. For
23 Members with 20 or more years of credited service as of the
24 prospective effective date of Ordinance 2014-386-E, beginning with
25 the first bi-weekly pay period in the first January after
26 commencement of benefit and in each subsequent first bi-weekly pay
27 period in January, the recipient shall be granted a COLA in the
28 amount of three percent. For Members with fewer than 20 years of
29 credited service as of the prospective effective date of Ordinance
30 2014-386-E, beginning with the first bi-weekly pay period in the
31 first January after commencement of benefit and in each subsequent

1 first bi-weekly pay period in January, the Member shall be granted
2 a COLA equal to three percent applied to the portion of the accrued
3 benefit based on credited service prior to the prospective
4 effective date of Ordinance 2014-386-E, and equal to the Social
5 Security COLA for the same plan year, but not to exceed four
6 percent, applied to the portion of the accrued benefit based on
7 credited service on and after the prospective effective date of
8 Ordinance 2014-386-E.

9 (2) In addition to the COLA, a minimum adjustment supplement of
10 five (5) dollars per month for each year of actual credited service
11 of the participant used to compute the pension benefit shall be
12 provided for current and future retirees and their survivors, and
13 it shall be paid beginning with the first full biweekly pay period
14 after October 1, 2003, and continuously thereafter; provided
15 however that such supplement shall be no less than twenty-five (25)
16 dollars nor more than one hundred and fifty (150) dollars per
17 month. The adjustment supplement described herein shall be based
18 upon the member's actual years of service rather than imputed years
19 of service, which is used for purposes of calculating pension
20 benefits under the disability retirement provisions of section
21 121.201A (b) and the surviving spouse provision of section
22 121.204(a)(1), and becomes operative in the event of the disability
23 or death of a member, respectively. The Mayor shall annually, each
24 January, evaluate the annual cost of the foregoing adjustment
25 supplement by comparing it to the City's annual cost to provide
26 single employee group health insurance. In the event that the
27 City's cost to provide such health insurance per employee is less
28 than the amount of such supplement per retiree, then the supplement
29 shall be reduced to the amount of the insurance cost.

30 (e) Deferred Retirement Option Program (DROP). A member eligible
31 to receive normal retirement benefits as provided in Section

1 121.201A (a), may remain in the employment of the City until the
2 elected termination date by electing to participate in the DROP, as
3 provided in Section 121.209, deferring the receipt of such
4 retirement benefits for a maximum of 130 full bi-weekly pay periods
5 (60 months) from the date of participation in the Deferred
6 Retirement Option Program.

7 (f) Limitations on benefits. Notwithstanding any benefit granted
8 hereunder or under any other provision relating to benefits under
9 the Police and Fire Pension Plan, benefit payments for any Member
10 shall not exceed the maximum amount permitted under Section 415 of
11 the Internal Revenue Code of 1986, as amended.

12 (g) Annual Compensation Limit. Section 401(a)(17) of the Internal
13 Revenue Code establishes an annual compensation limit for each
14 employee under a qualified plan. The provisions of Code Section
15 401(a)(17) are further described pursuant to Treasury Regulations
16 Section 1.401(a)(17)-1. The Police and Fire Pension Plan
17 incorporates by reference the annual compensation limit described
18 under Section 401 (a)(17) and Treasury Regulations Section
19 1.401(a)(17)-1. Accordingly, the Plan acknowledges that the
20 compensation taken into account for any Member of the Plan in
21 determining plan allocations or benefit accruals for the plan is
22 limited to the annual compensation limit as described in Internal
23 Revenue Code Section 401(a)(17) and the Treasury Regulations
24 related thereto. The Plan additionally elects to avail itself of
25 the transition rule for governmental plans as described in Treasury
26 Regulation Section 1.401(a)(17)-1(d)(4)(ii) which provides that
27 'eligible participants', as such term is used in the regulations,
28 will not be affected by the revised limit per the 1993 OBRA and
29 accordingly such 'eligible participants' may have their
30 contributions and benefits computed by using compensation of more
31 than \$150,000.00 (as adjusted), so long as it does not exceed the

1 limit in effect on July 1, 1993. All other plan participants ('non-
2 eligible participants') shall be subject to the revised limits for
3 plan years beginning after December 31, 1995.

4 (h) Requirements that Actuarial Assumptions be specified. Section
5 401(a)(25) of the Internal Revenue Code provides that whenever the
6 amount of any benefit is to be determined on the basis of actuarial
7 assumptions, such assumptions are specified in the plan in a way
8 which precludes employer discretion. The provisions of Code
9 Section 401(a)(25) and the linkage between the proper use of
10 actuarial assumptions and the conclusion that the plan is
11 established and maintained primarily to provide systematically for
12 the payment of 'definitely determinable benefits' to employees, is
13 further described pursuant to Treasury Regulations Section 1.401-
14 1(b)(1)(i). The Police and Fire Pension Plan incorporates by
15 reference the requirements that actuarial assumptions be specified
16 as described under Code Section 401(a)(25) and Treasury Regulations
17 Section 1.401-1(b)(1)(i).

18 (i) Required distributions. Distributions from the Plan will be
19 made in accordance with the requirements of the regulations under
20 Internal Revenue Code Section 401(a)(9) and that any provisions in
21 the Plan that are contradictory to the distribution requirements
22 shall be overridden. In accordance therewith, distributions to
23 participants must commence by the later of April 1 of the calendar
24 year following the calendar year in which the employee attains the
25 age of 70 ½, or April 1 of the calendar year following the calendar
26 year in which the employee retires. In addition to meeting the
27 minimum distribution amount, the distribution must also meet the
28 incidental benefit requirements of Internal Revenue Code Section
29 401(a)(9)(g) and Proposed Regulations Sections 1.401(a)(9)-1 and
30 1.401(a)(9)-2 if applicable.

31 **Sec. 121.201B Retirement Benefits for Group II Members**

1 This Section 121.201B sets forth the pension benefits that are
2 applicable solely to Group II Members, and the term "Member" as
3 used in this Section means "Group II Member".

4 (a) Time service retirement. Upon reaching 30 years of credited
5 service, Group II Members shall be entitled to a time service
6 retirement with a benefit equal to 2.5 percent of average salary
7 multiplied by the number of years of credited service, but not
8 exceeding a maximum of 75 percent of average salary. The term
9 "average salary" as used in the foregoing sentence means the
10 average "salaries" (as defined in Section 121.113(a)(2)) received
11 by the Group II Member during the 130 bi-weekly pay periods
12 immediately preceding the date of retirement. Notwithstanding the
13 foregoing, the annual retirement benefit shall not exceed
14 \$99,999.99, which amount shall be adjusted January 1 of each year
15 beginning with the first January after the prospective effective
16 date of Ordinance 2014-386-E, by the most recent cost of living
17 adjustment applicable to recipients of Social Security retirement
18 benefits, as determined by the U.S. Social Security Administration
19 each calendar year, but not exceeding 1.5 percent.

20 (b) Disability retirement.

21 (1) A Group II Member who, prior to reaching the minimum normal
22 retirement eligibility of 30 years of credited service, becomes
23 permanently and totally disabled from useful and efficient service
24 as a police officer or firefighter, as established by competent
25 medical evidence, shall be entitled to a disability retirement.
26 The disability retirement benefit shall be equal to 50 percent of
27 the average "salaries" (as defined in Section 121.113(a)(2))
28 received by the Group II Member for the 130 pay periods immediately
29 preceding the time of disability retirement. The Board shall
30 establish the effective date on which the disability benefit shall
31 commence. The Board shall, by rule, establish procedures for the

1 examination of applicants for disability retirement, for the
2 conduct of disability retirement hearings, for review of said
3 hearings by a court of competent jurisdiction, and reexamination of
4 retirees on disability pension. In the event the application for a
5 disability pension is denied by the Board, then a new application
6 for the same disability cannot be filed by the Group II Member
7 within six months of the denial.

8 (2) A Group II Member who has been in the service of the City for a
9 period of time at least equal to the minimum time necessary for
10 time service retirement and who becomes permanently and totally
11 disabled from useful and efficient service, shall be entitled to
12 the same pension calculation as a Group II Member who retires
13 pursuant to a time service retirement as described in Section
14 121.201B(a). Any Group II Member who elects to retire under a
15 disability pension as provided in this Section shall be required to
16 meet the same requirements for a disability pension as are required
17 for any other Member of the Fund requesting a disability
18 retirement.

19 (c) Vested retirement benefits.

20 (1) Group II Members who terminate employment with at least 10 but
21 less than 25 years of credited service are eligible to receive a
22 deferred retirement benefit of 2.0 percent of the average
23 "salaries" (as defined in Section 121.113(a)(2)) received by the
24 member during the 130 pay periods immediately preceding the date of
25 separation, for each year of credited service. The benefit shall
26 commence at age 62. In the alternative, and in lieu of any other
27 benefit from the Fund, a vested member may elect to be paid a
28 refund of 100 percent of member contributions to the Plan without
29 interest. Within 30 days of a member leaving the payroll prior to
30 normal service retirement, the vested member must elect in writing
31 to vest or else the refund will be issued automatically after the

1 end of such 30-day period. Acceptance of the refund of employee
2 contributions constitutes an irrevocable waiver of all rights to
3 benefits from the Plan.

4 (2) In the event that a former Group II Member who separates from
5 service and is entitled to vested retirement benefits dies prior to
6 the scheduled date for the commencement of the payment of
7 retirement benefits, the surviving spouse and/or children of such
8 member shall not be entitled to a refund of contributions nor shall
9 they be entitled to the payment of survivors benefits otherwise
10 extended to members who complete the required number of years of
11 service to become eligible for minimum time service benefits.

12 (3) Former Group II Members who separate from service and are
13 entitled to receive vested retirement benefits are not eligible to
14 qualify for potential enhancements pursuant to the minimum monthly
15 pension provisions of Section 121.301.

16 (4) Group II Members with at least 25 but less than 30 years of
17 credited service shall be eligible for early retirement, provided
18 that for each year or partial year prior to reaching 30 years of
19 credited service, the Group II Member who retires early shall incur
20 a 2.5% accrual rate penalty for any year or part thereof short of
21 30 years. Notwithstanding this provision, the minimum pension a
22 person taking early retirement under this section will not be less
23 than 52.5% of employee's final average compensation. Early
24 retirement benefits pursuant to this section will be calculated as
25 follows:

Number of Years of	Retirement Benefit as a Percentage
Credited Service:	of Final Average Salary as defined
in 121.113(a)(2):	
25, but less than 26	52.50%
26, but less than 27	55.00%

1	27, but less than 28	60.00%
2	28, but less than 29	65.00%
3	29, but less than 30	70.00%

4
5 (d) Cost of Living Adjustments. (1) A Cost of Living
6 Adjustment (COLA) based on each prior annual benefit amount
7 actually received (exclusive of one-time bonuses or adjustments)
8 shall be provided for Group II Retirees and their eligible
9 survivors, on the first bi-weekly pay period in each January
10 beginning in the third January following commencement of benefit.
11 Group II Retirees and their eligible survivors shall be granted a
12 COLA in the amount of COLA applicable to recipients of Social
13 Security retirement benefits, as determined by the U.S. Social
14 Security Administration each calendar year, but not exceeding 1.5
15 percent.

16 (2) In addition to the COLA, a minimum adjustment supplement of
17 five (5) dollars per month for each year of actual credited service
18 of the participant used to compute the pension benefit shall be
19 provided for current and future retirees and their survivors, and
20 it shall be paid beginning with the first full biweekly pay period
21 after October 1, 2003, and continuously thereafter; provided
22 however that such supplement shall be no less than twenty-five (25)
23 dollars nor more than one hundred and fifty (150) dollars per
24 month. The adjustment supplement described herein shall be based
25 upon the member's actual years of service rather than imputed years
26 of service, which is used for purposes of calculating pension
27 benefits under the disability retirement provisions of section
28 121.201A (b) and the surviving spouse provision of section
29 121.204(a)(1), and becomes operative in the event of the disability
30 or death of a member, respectively. The Mayor shall annually, each
31 January, evaluate the annual cost of the foregoing adjustment

1 supplement by comparing it to the City's annual cost to provide
2 single employee group health insurance. In the event that the
3 City's cost to provide such health insurance per employee is less
4 than the amount of such supplement per retiree, then the supplement
5 shall be reduced to the amount of the insurance cost.

6 (e) Limitations on benefits. Notwithstanding any benefit granted
7 hereunder or under any other provision relating to benefits under
8 the Police and Fire Pension Plan, benefit payments for any Member
9 shall not exceed the maximum amount permitted under Section 415 of
10 the Internal Revenue Code of 1986, as amended.

11 (f) Annual Compensation Limit. Section 401(a)(17) of the Internal
12 Revenue Code establishes an annual compensation limit for each
13 employee under a qualified plan. The provisions of Code Section
14 401(a)(17) are further described pursuant to Treasury Regulations
15 Section 1.401(a)(17)-1. The Police and Fire Pension Plan
16 incorporates by reference the annual compensation limit described
17 under Section 401 (a)(17) and Treasury Regulations Section
18 1.401(a)(17)-1. Accordingly, the Plan acknowledges that the
19 compensation taken into account for any Member of the Plan in
20 determining plan allocations or benefit accruals for the plan is
21 limited to the annual compensation limit as described in Internal
22 Revenue Code Section 401(a)(17) and the Treasury Regulations
23 related thereto. The Plan additionally elects to avail itself of
24 the transition rule for governmental plans as described in Treasury
25 Regulation Section 1.401(a)(17)-1(d)(4)(ii) which provides that
26 'eligible participants', as such term is used in the regulations,
27 will not be affected by the revised limit per the 1993 OBRA and
28 accordingly such 'eligible participants' may have their
29 contributions and benefits computed by using compensation of more
30 than \$150,000.00 (as adjusted), so long as it does not exceed the
31 limit in effect on July 1, 1993. All other plan participants ('non-

1 eligible participants') shall be subject to the revised limits for
2 plan years beginning after December 31, 1995.

3 (g) Requirements that Actuarial Assumptions be specified. Section
4 401(a)(25) of the Internal Revenue Code provides that whenever the
5 amount of any benefit is to be determined on the basis of actuarial
6 assumptions, such assumptions are specified in the plan in a way
7 which precludes employer discretion. The provisions of Code
8 Section 401(a)(25) and the linkage between the proper use of
9 actuarial assumptions and the conclusion that the plan is
10 established and maintained primarily to provide systematically for
11 the payment of 'definitely determinable benefits' to employees, is
12 further described pursuant to Treasury Regulations Section 1.401-
13 1(b)(1)(i). The Police and Fire Pension Plan incorporates by
14 reference the requirements that actuarial assumptions be specified
15 as described under Code Section 401(a)(25) and Treasury Regulations
16 Section 1.401-1(b)(1)(i).

17 (h) Required distributions. Distributions from the Plan will be
18 made in accordance with the requirements of the regulations under
19 Internal Revenue Code Section 401(a)(9) and any provisions in the
20 Plan that are contradictory to the distribution requirements shall
21 be overridden. In accordance therewith, distributions to
22 participants must commence by the later of April 1 of the calendar
23 year following the calendar year in which the employee attains the
24 age of 70 ½, or April 1 of the calendar year following the calendar
25 year in which the employee retires. In addition to meeting the
26 minimum distribution amount, the distribution must also meet the
27 incidental benefit requirements of Internal Revenue Code Section
28 401(a)(9)(g) and Proposed Regulations Sections 1.401(a)(9)-1 and
29 1.401(a)(9)-2.

30 * * *

31 **Sec. 121.204 Surviving Spouse Benefits.**

1 Notwithstanding the provisions of Laws of Fla. Ch. 18615 (1937), as
2 amended; or Laws of Fla. Ch. 23259 (1945), as amended, and to
3 increase the benefits thereby provided:

4 (a) Benefits under this section for Group I and Group II members
5 will be as follows:

6 (1) The following shall apply only to Group I Members' spouse
7 benefits: ~~Any M~~member of the fund hereafter who shall be killed or
8 die from effects of an injury or of any illness or disease and any
9 such ~~M~~member so killed or dying shall have a spouse living with
10 such ~~M~~member at time of death, the Board shall direct the payment
11 from the fund of the following sum to the surviving spouse, 75
12 percent of the pension benefit the deceased ~~M~~member would be
13 entitled to receive, had the ~~M~~member completed 20 years of credited
14 service ~~(60 percent of the average salary as defined in Section~~
15 ~~121.113(a) received by the member for the 52 pay periods~~
16 ~~immediately preceding the time of death)~~ and survived to receive
17 such pension. If a deceased ~~M~~member served in excess of 20 years,
18 the 75 percent of the pension benefit shall be based upon the
19 actual years of service. In applying the provisions of this
20 Section, the adjustment supplement described in 121.201A(d)(2) that
21 is calculated for the benefit of the surviving spouse of a Group I
22 Member shall be based upon the actual years of credited service,
23 subject to the minimum and maximum provisions, rendered by the
24 member rather than the assumed completion of 20 years of credited
25 service otherwise acknowledged in this Section. The pension benefit
26 as used herein shall be comprised of the base pension benefit as
27 adjusted for the COLA, but exclusive of the adjustment supplement
28 described in 121.201A(d)(2) which shall be 100 percent allocable to
29 the surviving spouse.

30 (2) The following shall apply only to Group II Members' spouse
31 benefits: A Member of the fund hereafter who shall be killed or die

1 from effects of an injury or of any illness or disease and any such
2 Member so killed or dying shall have a spouse living with such
3 Member at time of death, the Board shall direct the payment from
4 the fund of the following sum to the surviving spouse, 75 percent
5 of the pension benefit the deceased Member would be entitled to
6 receive, had the Member completed 30 years of credited service, as
7 defined in 121.201B(c)(4), and survived to receive such pension. If
8 a deceased Member served in excess of 30 years, the 75 percent of
9 the pension benefit shall be based upon the actual years of
10 service. The pension benefit as used herein shall be comprised of
11 the base pension benefit as adjusted for the COLA, but exclusive of
12 the adjustment supplement described in 121.201B(d)(2) which shall
13 be 100 percent allocable to the surviving spouse.

14
15 (b) If any such beneficiary of the fund shall hereafter be killed or
16 die and any such member so killed or dying shall have a spouse living
17 with such beneficiary at time of death, the Board shall direct the
18 payment from the fund of the following sum to the surviving spouse, 75
19 percent of the pension benefit the beneficiary was receiving. The
20 pension benefit as used herein shall be comprised of the base pension
21 benefit as adjusted for the COLA's previously credited to the record
22 of the former member, but exclusive of the adjustment supplement
23 described in 121.201A(d)(2) for Group I Members and in 121.201B(d)(2)
24 for Group II Members which shall be 100 percent allocable to the
25 surviving spouse.

26 * * *

27 (g) A spouse shall be deemed living with the Member if the Member or
28 spouse is confined to a nursing or hospital facility at the time of
29 the Member's death, provided that the Member was living with the
30 spouse at the time of admission to the nursing or hospital facility.

1 * * *

2 **Sec. 121.206 Children's Benefits.**

3 * * *

4 (b) If there is a surviving spouse, each child's benefit shall be
5 \$200 per month until (i) each child reaches age 18 years, whether
6 or not the child is a qualified student, or (ii) each child reaches
7 age 22, provided the child is a qualified student, or (iii) each
8 child becomes married, whereupon the children's benefits described
9 herein shall cease, provided that the total of the surviving spouse
10 and children's benefits do not exceed the total of the deceased
11 ~~Member's~~ projected benefit. In addition thereto, each child of a
12 surviving spouse of a Group I Member shall be entitled to the
13 receipt of the minimum adjustment supplement provided in Section
14 121.201A(d)(2).

15 (c) If there is no surviving spouse, each child under the age of
16 18 shall receive the greater of either; (a) \$200 per month plus,
17 for each child of a former Group I Member, the minimum adjustment
18 supplement provided in Section 121.201A(d)(2), or (b) a
19 proportionate share of the surviving spouse's benefit (including
20 the supplement where applicable) until (i) each child reaches age
21 18 years, whether or not the child is a qualified student, or (ii)
22 each child becomes married, whereupon the children's benefits
23 described herein shall cease. If there is no surviving spouse, each
24 child who is age 18 or over and who is a qualified student shall be
25 entitled to the payment of a child's benefit of \$200 per month
26 until (i) each child reaches age 22, or (ii) each child becomes
27 married, whereupon the child's benefit described herein shall
28 cease. In the event of multiple children causing the payment of a
29 prorated benefit as each child no longer becomes eligible for the
30 payment of children's benefits the remaining eligible children

1 shall receive the greater of the benefits provided for in this
2 Section up to the limits provided.

3 * * *

4 **Sec. 121.209 Deferred Retirement Option Program (DROP) for**
5 **Group I Members**

6 This Section 121.209 applies only to Group I Members, and the term
7 "Member" as used in this Section means "Group I Member". In
8 general, and subject to the provisions of this Section, the
9 Deferred Retirement Option Program, hereinafter referred to as the
10 DROP, is a program under which an eligible Mmember of the plan, may
11 elect to participate, deferring receipt of normal retirement
12 benefits while continuing employment with the City without loss of
13 any other employee benefits. Upon an eligible Mmember's election to
14 participate in the DROP, the amount of credited service and final
15 average salary becomes frozen for purposes of determining pension
16 benefits. Additional service beyond the date of entry into the DROP
17 shall no longer accrue any additional benefits under the Pension
18 Fund. The deferred monthly retirement benefits under the DROP shall
19 accrue in the fund on behalf of the participant, plus interest
20 compounded monthly, as provided in subsection (c)(1) of this
21 Section, for the specified period of the DROP participation, as
22 provided in subsection (b)(1) of this Section. Upon termination of
23 employment, the participant shall receive the total DROP benefits,
24 as provided in Section 121.209(c) and begin to receive the
25 previously determined normal retirement benefits.

26 (a) *Eligibility of member to participate in the DROP.* All members
27 who are eligible to, may elect participation in the DROP, provided
28 members comply administratively with the rules and regulations
29 established by the board for the administration of the DROP.

30 (1) A member who is eligible to receive normal retirement benefits
31 under Section 121.201A(a) may participate in the DROP providing the

1 member elects to participate within the time limits contained in
2 Section 121.209(b)(1).

3 * * *

4 (b) *Participation in the DROP.*

5 * * *

6 (2) Upon participation in the DROP, the member shall be deemed a
7 "qualified member" as defined in Section 121.102(e)(~~62~~).

8 * * *

9 (c) *Benefits payable under the DROP.*

10 (1) Effective with the date of DROP participation, the Member's
11 initial normal retirement benefit, including creditable service and
12 average compensation, as provided in Section 121.201A(a) and the
13 effective date of retirement shall be fixed. Such normal retirement
14 benefits, together with annual cost of living adjustments as
15 provided in Section 121.201A(d), and interest, shall accrue monthly
16 in the fund for the benefit of the DROP participant. As of the
17 prospective effective date of Ordinance 2014-386-E, for Members
18 with 20 or more years of creditable service, sSuch interest shall
19 produce an annual rate of return of 8.40 percent. As of the
20 prospective effective date of Ordinance 2014-386-E, for Members
21 with less than 20 years of creditable service, such interest shall
22 accrue based on the actual net rate of return after the deduction
23 of all related and direct expenses for the preceding year rate of
24 return; provided however, that the minimum interest shall be 0.0
25 percent and the maximum interest shall be 10.00 percent. Interest
26 calculations shall be administered in accordance with rules
27 prescribed by the board and interest distributions shall be
28 credited using the 30-day month/360-day year method of calculation.

29 * * *

30 (3) At the conclusion of the participant's DROP and termination of
31 employment with the City, the Board shall distribute the

1 participant's total accumulated DROP benefits, as soon as
2 administratively practical, subject to the following provisions:

3 (i) The board shall receive written verification by the
4 participant's employer that such participant has terminated
5 employment as provided in subsection (b)(4)(ii) of this Section.

6 (ii) The terminated DROP participant or if deceased, such
7 participant's surviving spouse or representative, shall elect on
8 forms provided by the Board to receive payment of the DROP benefits
9 in accordance with one of the options listed below. For a DROP
10 participant who fails to elect a method of payment within 30 days
11 of termination of the DROP, the Board will pay a lump sum as
12 provided in subsection (a), below, as soon as administratively
13 practical. For a surviving spouse of a current or former DROP
14 participant who fails to elect a method of payment within 90 days
15 of the date of death of the current or former DROP participant, the
16 Board will pay a lump sum as provided in subsection a., below, as
17 soon as administratively practical.

18 * * *

19 d. Monthly distribution. The account balance shall be distributed
20 in a monthly amount paid biweekly of substantially equal amounts,
21 until the DROP account is depleted, over a stipulated number of bi-
22 weekly periods to be selected by the participant or the surviving
23 spouse, less withholding taxes remitted to the Internal Revenue
24 Service. Such selection once made, cannot be changed, unless
25 changed to Option (a) or (b), above. The annual rate of interest to
26 be factored into such distribution period shall be based on the
27 actual rate of return; provided however, that the minimum interest
28 shall be 0.0 percent and the maximum interest shall be 10.00~~8-4~~
29 percent. Notwithstanding the foregoing, in the event that the
30 participant selected a payout period over the participant's life
31 expectancy or over the joint life expectancies of the participant

1 and the participant's spouse in order to avoid the application of
2 the ten percent additional tax on early distributions reflected in
3 Section 72(t) of the Internal Revenue Code, such participant may
4 shorten the number of biweekly payout periods originally selected
5 by the participant, provided that the timing of such modification
6 conforms to the standards described in Section 72(t)(4) of the
7 Internal Revenue Code.

8 * * *

9 (5) DROP participants shall not be eligible for the disability
10 retirement benefits provided in Section 121.201A(b) of this
11 Chapter.

12 * * *

13 (e) Cost of living adjustment. On the first full biweekly pay
14 period after April 1, 2000 or as soon as administratively practical
15 thereafter, and for the first full biweekly pay period after each
16 succeeding April 1st, the deferred retirement benefit may be
17 increased, under the provisions of Section 121.201A(d)(1), if
18 applicable.

19 (f) Health insurance subsidy. DROP participants are not eligible
20 for the health insurance subsidy as provided in Section
21 121.201A(d)(2) of this Chapter until termination of employment is
22 effectuated.

23 * * *

24 (i) *Contributions and deductions.*

25 (1) The employer contributions on the salary, as defined in Section
26 121.113(a)(1) of DROP participants shall be zero percent.

27 (2) A deduction of two percent per annum shall be made from all
28 salaries (as defined in Section 121.113(a)(1)) of DROP participants
29 as the contribution from the participant during the period of DROP
30 participation, with such amount being credited to the Base Benefits
31 Fund.

1 * * *

2 Sec. 121.211 BACKDROP for Group II Members.

3 (a) There is hereby created a BACKDROP retirement option (the
4 "BACKDROP") to the Retirement Plan, which shall allow any Group II
5 Member who has 30 or more years of credited service, to elect to
6 enter the BACKDROP plan. By electing to participate in the
7 BACKDROP, that Member's retirement benefits are calculated as if
8 the member had actually retired at an earlier date, provided
9 however the BACKDROP period shall not exceed five years.

10 (b) (1) An eligible Group II Member may elect to participate in
11 the BACKDROP by submitting the following to the Fund:

12 (i) One copy of a signed and submitted letter of resignation dated
13 effective as of the date of election to participate in the
14 BACKDROP.

15 (ii) A properly completed BACKDROP application on forms provided by
16 the Fund, which, once submitted, shall be irrevocable by the
17 member.

18 (iii) Subject to Section 121.211(d), selection of the dates that
19 begin and end the period of participation in the BACKDROP (the
20 "BACKDROP Period"). The BACKDROP period shall not exceed five
21 years.

22 (iv) An agreement to replace the retirement benefits otherwise
23 applicable with BACKDROP benefits and a reduced time service
24 benefit calculated as of the beginning of the BACKDROP Period as if
25 the BACKDROP Participant had retired as of that date, but payable
26 starting as of actual retirement at the end of the BACKDROP Period.

27 (v) Any other documents or information as may be reasonably
28 required by the Fund.

29 (2) For purposes of this Section, each eligible member who elects
30 to participate in the BACKDROP and satisfies all of the
31 requirements of this Section shall be referred to as a "BACKDROP

1 Participant".

2 (c) A BACKDROP Participant must resign and retire from the City as
3 of the date of election to participate in the BACKDROP. No
4 benefits shall be paid under this Section unless and until the
5 BACKDROP Participant has resigned and retired from the City.

6 (d) (1) Provided the BACKDROP Participant has satisfied all
7 requirements set forth in this Section, the BACKDROP Participant
8 shall be entitled to receive a BACKDROP amount equal to:

9 (i) The time service retirement benefits pursuant to Section
10 121.201B the BACKDROP Participant Member would have received had
11 the BACKDROP Participant actually retired at the commencement of
12 the BACKDROP Period, and

13 (ii) Interest on benefits credited pursuant to Section 121.211(a).
14 The amount of interest to be credited shall be determined pursuant
15 to Section 121.211(e).

16 (2) Upon retirement, the BACKDROP Participant thereafter shall be
17 eligible to receive a reduced time service benefit determined as of
18 the beginning of the BACKDROP period, as defined in Section
19 121.211(b)(1)(iii). Should the Member elect to use any year or
20 partial year of service which occurred prior to reaching 30 years
21 of credited service in their BACKDROP period, the retirement
22 benefit otherwise calculated for those years will be reduced by two
23 percent of average salary as defined in Section 121.113(a)(2). The
24 reduced time service benefit will be calculated as follows:

<u>Number of years of</u>	<u>Retirement Benefit as a of</u>
<u>Credited Service at</u>	<u>Percentage of Average</u>
<u>Commencement of BACKDROP:</u>	<u>Salary as defined in Sec.</u>
	<u>121.113(a)(2):</u>
<u>25 but less than 26</u>	<u>52.50%</u>
<u>26 but less than 27</u>	<u>57.00%</u>

1	27 but less than 28	61.50%
2	28 but less than 29	66.00%
3	29 but less than 30	70.50%

4
5 (e) Interest shall be credited starting from the hypothetical date
6 the payment would have been made had the BACKDROP Participant
7 retired as of the beginning of the BACKDROP period to the end of
8 the BACKDROP period at an annual rate of return, compounded
9 annually, equivalent to the actual rate of return on the Fund
10 assets during the BACKDROP period, provided that such rate of
11 return shall not be less than zero nor more than ten percent.

12 (f) A BACKDROP Participant shall not be entitled to receive any
13 cost-of-living increase during the BACKDROP Period. The waiting
14 period to receive cost-of-living increases, as set forth in Section
15 121.201B(d), shall commence upon retirement.

16 (g) Provided the BACKDROP Participant has satisfied all
17 requirements set forth in this Section, within 30 days from the
18 date of expiration of the BACKDROP Period or as soon as practical
19 thereafter, the Retirement Plan shall disburse the amount of the
20 BACKDROP Participant's BACKDROP benefits to the BACKDROP
21 Participant.

22 (h) All disbursements made pursuant to Section 121.211(g) shall be
23 made subject to and in accordance with all applicable provisions of
24 the Internal Revenue Code.

25
26 **Section 3. Part 5, Chapter 121 Created.** Part 5, Financial
27 Investment and Advisory Committee, Chapter 121, *Ordinance Code*, is
28 hereby created to read as follows:

29 **Chapter 121. POLICE AND FIREFIGHTERS PENSION PLAN**

30 * * *

31 **PART 5. FINANCIAL INVESTMENT AND ADVISORY COMMITTEE**

1
2 Sec. 121.501. Financial Investment and Advisory Committee
3 **Created.** There is hereby created a Jacksonville Police and Fire
4 Pension Fund Board of Trustees Financial Investment and Advisory
5 Committee of five persons.

6 Sec. 121.502. General Responsibilities and Duties of
7 **Financial Investment and Advisory Committee.** The Financial
8 Investment and Advisory Committee shall have the responsibility and
9 duty to provide advisory oversight and advice to the Jacksonville
10 Police and Fire Pension Board of Trustees ("Board") on: (1)
11 financial matters; (2) actuarial practices and assumptions; (3)
12 investment strategy and policy; (4) the selection of outside
13 financial services providers, including investment managers and
14 advisors; and (5) such other matters as requested by the Board.

15 Sec. 121.503. Financial Investment and Advisory Committee;
16 **Membership, Appointment and Terms.**

17 (a) Financial Investment and Advisory Committee members shall be
18 financially sophisticated professionals with expertise in any or
19 all of the following competencies: actuarial science, fiscal
20 operations, or investment practices. Criteria for service will
21 include knowledge of and experience and familiarity with portfolio
22 and/or pension fund management, institutional investment and
23 fiduciary responsibilities.

24 (b) Members of the Financial Investment and Advisory Committee
25 must be residents of Duval, Nassau, St. Johns, Baker or Clay
26 County, Florida. Each member will be nominated by the Board and
27 confirmed by the Council to serve in a voluntary capacity.

28 (c) The term of office shall be three years. No person shall
29 serve more than three consecutive terms. Of the five persons
30 selected to serve on the initial Committee two members shall serve
31 initial terms of two years. In its confirmation of the Committee

1 Member nominee, the Council shall designate whether the initial
2 term is for two or for three years.

3 **Sec.121.504. Financial Investment and Advisory Committee;**
4 **Relationship with Police and Fire Pension Fund Board of Trustees.**

5 (a) With regard to general strategy matters such as actuarial
6 practices and assumptions, asset allocation, accounting
7 determinations, risk management, actuarial assumptions, the
8 Financial Investment Advisory Committee may at any time provide
9 advice and recommendations to the Board, which shall receive and
10 act upon such advice and recommendations as the Board, in its
11 fiduciary capacity, shall determine.

12 (b) With regard to the selection (or de-selection) of individual
13 investment managers, the Board of Trustees shall not select any
14 investment manager without first obtaining the advice and
15 recommendation of the Financial Investment and Advisory Committee
16 which, with the assistance of the professional staff of the Board,
17 shall review any and all potential asset/investment managers. In
18 selecting or de-selecting, the Board will then make its decision(s)
19 taking into account Financial Investment and Advisory Committee
20 recommendations as well as other information available to the
21 Board.

22 (c) With regard to the selection of other professionals or
23 professional services, including, but not limited to, actuaries,
24 the Financial Investment and Advisory Committee shall furnish
25 advice and recommendations to the Board as requested by the Board,
26 following such processes as may be determined with respect to the
27 particular selection.

28 **Sec. 121.505. Financial Investment and Advisory Committee;**
29 **Fiduciary Responsibilities; Improper Business Relationships.**

30 (a) Financial Investment and Advisory Committee members shall be
31 deemed to be fiduciaries of the Police and Fire Pension Fund. Each

1 member individually and the Financial Investment and Advisory
2 Committee as a whole shall be required to undergo periodically any
3 and all fiduciary and ethical training required by the Board or by
4 ordinance.

5 (b) Financial Investment and Advisory Committee members shall
6 comply with all requirements of state law with regard to annual
7 public conflict disclosure statements required by members of other
8 public agencies and boards.

9 (c) (1) No business organization or affiliate thereof that is owned
10 or controlled by, or employs, a member of the Financial Advisory
11 and Investment Committee or a spouse, child or sibling of a member
12 of the Financial Investment and Advisory Committee shall directly
13 or indirectly contract with or provide services for the investment
14 of Police and Fire Pension Fund assets during the time of such
15 member's service on the Financial Investment and Advisory Committee
16 or for two (2) years thereafter.

17 (2) The Board may waive the prohibition in Subsection (c)(1) if,
18 (a) such potential conflict is fully disclosed to the Board as well
19 as the Financial Investment and Advisory Committee, and (b) only
20 after the Financial Investment and Advisory Committee members who
21 have no apparent conflict in the matter unanimously recommend
22 waiver of the prohibition upon a finding that (i) the Police and
23 Fire Pension Fund will not be adversely impacted by such contract
24 or services; and (ii) that the allowance of such contract or
25 services together with service by the Financial Investment and
26 Advisory Committee member is in the best interest of the Police and
27 Fire Pension Fund. The waiver by the Board must be by unanimous
28 vote and must contain a finding that (i) the Police and Fire
29 Pension Fund will not be adversely impacted by such contract or
30 services; and (ii) that the allowance of such contract or services
31 together with service by the Financial Investment and Advisory

1 Committee member is in the best interest of the Police and Fire
2 Pension Fund.

3 **Sec. 121.506. Financial Investment and Advisory Committee;**
4 **Miscellaneous Provisions.**

5 (a) The Financial Investment and Advisory Committee shall annually
6 elect a chair and secretary from its members.

7 (b) The Board shall provide administrative support to the Financial
8 Investment and Advisory Committee.

9
10 **Section 4. Part 6, Chapter 121 Created.** Part 6, Ethics,
11 Fiduciary Responsibilities and Best Practices, Chapter 121,
12 *Ordinance Code*, is hereby created to read as follows:

13 **Chapter 121. POLICE AND FIREFIGHTERS PENSION PLAN**

14 * * *

15 **PART 6. ETHICS, FIDUCIARY RESPONSIBILITIES AND BEST PRACTICES**

16
17 **Sec. 121.601. Police and Fire Pension Fund Board of Trustees**
18 **and Executive Director; Fiduciary Responsibilities; Improper**
19 **Business Relationships.**

20 (a) Police and Fire Pension Fund Board of Trustees members shall be
21 deemed to be fiduciaries of the Police and Fire Pension Fund. Each
22 member individually and the Board of Trustees as a whole shall be
23 required to undergo periodically any and all fiduciary and ethical
24 training required by the Board or by ordinance.

25 (b) Board of Trustee members shall comply with all requirements of
26 state law with regard to annual public conflict disclosure
27 statements required by members of other public agencies and boards.

28 (c) (1) No business organization or affiliate thereof that is owned
29 or controlled by, or employs, a member of the Board of Trustees or
30 a spouse, child or sibling of a member of the Board of Trustees
31 shall directly or indirectly contract with or provide services for

1 the investment of Police and Fire Pension Fund assets during the
2 time of such member's service on the Financial Investment and
3 Advisory Committee or for two (2) years thereafter.

4 (2) The Board may waive the prohibition in Subsection (c)(1) if,
5 (a) such potential conflict is fully disclosed to the Board and (b)
6 the Board, by unanimous vote, finds that (i) the Police and Fire
7 Pension Fund will not be adversely impacted by such contract or
8 services; and (ii) that the allowance of such contract or services
9 together with service by the Board of Trustees member is in the
10 best interest of the Police and Fire Pension Fund.

11 (d) The provisions of F.S. Ch. 112, Part III, including §§ 112.311-
12 112.3175 relating to financial disclosure, shall apply to all Board
13 members and the Executive Director. All Board members and the
14 Executive Director shall be required to file the limited financial
15 disclosure form (Form 1) as required by F.S. §112.3145(1)(a)(2)(e)
16 and §112.3145 (1)(a)3.

17 **Sec. 121.602. Actuarial Assumptions.** The assumed annual
18 actuarial rate of return Jacksonville Police and Fire Pension Fund
19 at the date of the adoption of this section shall be 7.0%. This
20 rate shall be modified only as required by law or upon agreement by
21 the Mayor and City Council and the Police and Fire Pension Fund
22 Board of Trustees, based on sound actuarial practices.

23 **Sec. 121.603. Actuarial and investment reports.**
24 (a) The Police and Fire Pension Fund Board of Trustees shall have
25 the duty to have an annual actuarial valuation of the Police and
26 Fire Pension Fund performed by the Board of Trustee's actuary.
27 This valuation shall be performed as of October 1 of each year. The
28 annual actuarial valuations shall be completed and delivered as
29 expeditiously as possible to the Board, the Financial Investment
30 and Advisory Committee, the City's Director of Finance and to the
31 City Council Auditor promptly upon completion but, in any event,

1 the Board of Trustees shall have the valuation analyses and reports
2 completed and delivered no later than 120 days after October 1. The
3 120-day deadline set forth herein is conditioned upon the City
4 promptly responding to reasonable requests made by the Board of
5 Trustees to the City for information necessary for the preparation
6 of such valuations.

7 (b) In addition to following all professional standards and
8 requirements for actuarial analysis and reporting, the Board of
9 Trustees will utilize the following approaches and assumptions:

10 (1) Annual actuarially required contributions
11 calculations based on most recent actuarial assumptions;

12 (2) Alternative funding scenarios based on variable
13 investment performance in addition to the base case, that extend to
14 future years and incorporate volatility;

15 (3) The latest "experience studies" prepared by the
16 Board's actuary;

17 (4) Consistency in actuarial methods;

18 (5) Accrual method: Entry Age Normal (EAN);

19 (6) Annual normal cost disclosure, using a separate
20 annual normal cost disclosure for each pension group as those
21 groups are defined in Part 2, Chapter 121, Ordinance Code; and

22 (7) Unfunded liabilities will be amortized as separate
23 annual bases over closed 30-year periods or less, unless otherwise
24 required by law.

25 (c) The actuarial practices will be consistent from year to year
26 unless changed through an "experience study" or decision of the
27 Board, with advice from the Financial Investment and Advisory
28 Committee, or unless necessary for compliance with applicable laws
29 or regulations.

30 (d) The Board of Trustees must distribute to City's Chief Financial
31 Officer and City Council Auditor the Police and Fire Pension Fund's

1 quarterly investment return reports. These reports must, at a
2 minimum, show gross gain/loss results as well as gain/loss results
3 net of investment fees. These quarterly reports must also include
4 comparisons to (1) assumption and benchmarks of the Police and Fire
5 Pension Fund, and (2) results of comparable pension funds.

6 **Sec. 121.604. Annual Financial Statements.**

7 (a) On or before January 31 of each year, commencing with the first
8 January following the prospective effective date of Ordinance 2014-
9 386-E, the Board of Trustees shall prepare annual financial
10 statements for the fiscal year ending the previous September 30 and
11 submit such annual financial statements electronically or as
12 otherwise agreed to the Mayor, City Council President, City
13 Director of Finance, City Council Auditor, and the Treasurer of the
14 Board; and, on or before March 15 of each year, to the Florida
15 Department of Management Services (the "Department") in format(s)
16 prescribed by the Department.

17 (b) The annual financial statements shall be in compliance with the
18 requirements of the Government Accounting and Standard Board's
19 Statement No. 67, Financial Reporting for Pension Plans and
20 Statement No. 68, Accounting and Financial Reporting for Pensions,
21 using the mortality tables and generational projections by gender
22 most recently available from qualified actuarial sources. If yet
23 unaccepted updates also are available that suggest longevity
24 improvements beyond accepted tables, then such updates shall be
25 used in lieu of accepted tables so long as such usage remains
26 acceptable within GASB requirements and is permitted by applicable
27 law.

28 (c) The annual financial statements shall report funding status,
29 contribution rates and expected normal cost of new benefits earned
30 using both the current assumed rate of return on investments and
31 the greater of 5.4% or an assumed discount rate that is 200 basis

1 points less than the Fund's assumed rate of return.

2 (d) The annual financial statements shall provide information
3 indicating the projected assets, liabilities and actuarially
4 required contributions to the Fund over the following 30 years
5 based on the Fund's latest valuations and actuarial assumptions.

6 **Sec. 121.605. Public Information.** The Board of Trustees
7 shall publish on its website on a timely basis:

8 (a) all financial and actuarial studies and reports created
9 pursuant to this Chapter or other law;

10 (b) minutes of its meetings for the past 3 years on a rolling
11 basis; and

12 (c) copies of all reports or studies commissioned by the Board of
13 Trustees, including, but not limited to, experience studies and
14 investment performance reports.

15 **Sec. 121.606. Ethics, Certification and Disclosure**
16 **Requirements for Investment Managers and Advisors.**

17 (a) Any investment manager or advisor of the Police and Fire
18 Pension Fund who has discretionary authority for any investment of
19 the fund shall agree to certify, annually, to the Financial
20 Investment and Advisory Committee and to the Board of Trustees, no
21 later than the January 31 following the previous calendar year,
22 that:

23 (1) The investment manager or advisor acknowledges that the
24 manager or advisor serves as a fiduciary to the Police and Fire
25 Pension Fund and agrees to be bound by all responsibilities of a
26 fiduciary;

27 (2) All investment decisions made by the investment manager or
28 advisor on behalf of the Police and Fire Pension Fund are made in
29 the best interests of the Fund and not made in a manner to the
30 advantage of such investment adviser or manager, other persons, or
31 clients to the detriment of the Fund;

1 (3) Appropriate policies, procedures, or other safeguards
2 have been adopted and implemented by such manager or advisor to
3 ensure that relationships with any affiliated persons or entities
4 do not adversely influence the investment decisions made on behalf
5 of the Police and Fire Pension Fund;

6 (4) The investment manager or advisor is not the subject of a
7 claim or litigation brought by a present or former client or by a
8 regulatory agency asserting that such investment manager or advisor
9 has breached its fiduciary responsibilities, or, if such be the
10 case, the investment manager or advisor shall disclose the
11 particulars of each such claim or litigation;

12 (5) A written code of ethics, conduct, or other set of
13 standards, as submitted by the investment manager or advisor to the
14 Financial Investment and Advisory Committee and the Board of
15 Trustees and accepted by both the Financial Investment and
16 Advisory Committee and the Board of Trustees, governs the
17 professional behavior and expectations of owners, general partners,
18 directors or managers, officers, and employees of the investment
19 adviser or manager, has been adopted and implemented, and that such
20 standards are effectively monitored and enforced; and

21 (6) Policies of the Board concerning prohibited business
22 relationships among family members and other related parties have
23 been complied with.

24 (b) Any investment manager or advisor of the Police and Fire
25 Pension Fund who has discretionary authority for any investment of
26 the Police and Fire Pension Fund shall agree to disclose annually
27 to the Financial Investment and Advisory Committee and to the
28 Board, no later than the January 31 following the previous calendar
29 year:

30 (1) Any known circumstances or situations that a prudent
31 person could expect to create an actual or potential conflict of

1 interest, including specifically (i) any material interests in or
2 with financial institutions with which officers and employees
3 conduct business on behalf of the Police and Fire Pension Fund, and
4 (ii) any personal financial or investment positions of the
5 investment manager of advisor that could be related to the
6 performance of an investment program of the Police and Fire Pension
7 Fund over which the investment advisor or manager has discretionary
8 investment authority on behalf of the Police and Fire Pension Fund;
9 and

10 (2) All direct or indirect pecuniary interests that the
11 investment manager or advisor has in or with any party to a
12 transaction with the Police and Fire Pension Fund if the
13 transaction is related to any discretionary investment authority
14 that the investment manager or advisor exercises on behalf of the
15 Police and Fire Pension Fund.

16 **Section 5. Article 22 of the Charter Amended.** As authorized
17 by Sections 175.061 and 185.05 Florida Statutes and the Charter of
18 the City of Jacksonville, Section 22.02 of the Charter of the City
19 of Jacksonville is amended to read as follows:

20 **ARTICLE 22. JACKSONVILLE POLICE AND FIRE PENSION BOARD OF**
21 **TRUSTEES.**

22 * * *

23 **Sec. 22.02. - Membership.**

24 (a) The membership of the Jacksonville Police and Fire Pension
25 Board of Trustees shall consist of five members, of whom two shall
26 be legal residents of the City of Jacksonville appointed by the
27 city council; one shall be a police officer elected by a majority
28 vote of the police officers who are members of the pension fund,
29 and one shall be a firefighter elected by a majority of the
30 firefighters who are members of the pension fund, and the last
31 shall be chosen by a majority of the previous four members. The

1 fifth member's name shall be submitted to the City Council, which
2 shall, as a ministerial act, appoint such person as the fifth
3 member of the board. Effective for all new appointments after July
4 1, 2005, each resident member shall serve as a trustee for a period
5 of 4 years, unless sooner replaced by the City Council at whose
6 pleasure he or she shall serve, and may succeed himself or herself
7 as a trustee. Effective for all elections after July 1, 2005, the
8 police officer and firefighter members shall serve as trustees for
9 a period of 4 years, unless they shall sooner leave the employment
10 of the city as a police officer or firefighter, whereupon the class
11 of employees whose elected representative has left office shall
12 elect a successor to fill the unexpired term of office as provided
13 for in this section. Each employee member may succeed himself or
14 herself in office. Members shall continue to serve until their
15 respective successors are appointed, elected, or selected. Trustees
16 appointed by the City, as well as any persons selected as the fifth
17 member of the Trustees by the other four trustees, shall continue
18 to be persons with professional financial experience and/or public
19 pension experience, governance experience, institutional investment
20 experience, community experience and wisdom, or comparable
21 professional training, knowledge, and expertise. Trustees chosen
22 and appointed by the City Council shall not be a participant or be
23 enrolled in a city pension, shall be limited to a maximum of two
24 four year terms, and shall have at least 10 years of professional
25 financial experience.

26 * * *

27 **Section 6. Ratification Disclaimer.** Notwithstanding any
28 references to the "Thirty Year Agreement" contained herein or in
29 the Agreement attached hereto as **Second Revised Exhibit 1**, labeled
30 as "Second Revised Exhibit 1, Second Rev Agmt, December 1, 2014 -
31 Rules", nothing herein or in **Second Revised Exhibit 1** shall be

1 construed as ratification or approval of said "Thirty Year
2 Agreement." This Agreement supersedes and replaces all previous
3 agreements.

4 **Section 7. Approval of 2014 Retirement Reform Agreement;**
5 **Authorization to Execute and Implement.**

6 There is hereby approved and the Mayor, or his designee, and the
7 Corporation Secretary are authorized to execute and deliver, for
8 and on behalf of the City, the 2014 Retirement Reform Agreement in
9 the form **attached as Second Revised Exhibit 1**, labeled as "Second
10 Revised Exhibit 1, Second Rev Agmt, December 1, 2014 - Rules", and
11 take, or cause to be taken, for and on behalf of the City, such
12 further action as is necessary to effectuate the purpose of this
13 Ordinance. The Agreement as set forth in **Second Revised Exhibit 1**,
14 labeled as "Second Revised Exhibit 1, Second Rev Agmt, December 1,
15 2014 - Rules" herein replaces and supersedes the terms of the
16 existing Police and Fire Pension Plan. It is intended that there
17 be no lapse either in time or effect between this plan and such
18 superseded plans.

19 **Section 8. Actuarial Impact Statement.** The actuarial impact
20 statement required by Section 112.63(3), Florida Statutes, as a
21 condition to any proposed change in retirement benefits, is
22 **attached as Exhibit 2.**

23 **Section 9. Transfer of Funds.** On the prospective effective
24 date of Ordinance 2014-386-E, the Board will apply the entire
25 balances in the Enhanced Benefits Account and the City
26 Stabilization Account to the City for the benefit of the Plan. As
27 of October 1, 2013, the total balance of both accounts was
28 \$60,915,907.00; however, the amount applied pursuant to this
29 section will be the actual balances of both accounts on the
30 prospective effective date of Ordinance 2014-386-E, but shall not
31 be less than \$60,915,907.00.

1 **Section 10. Interpretation.** Any Ordinance or part of any
2 Ordinance in conflict with the provisions hereof is repealed to the
3 extent of the conflict. Should any part of this Ordinance be held
4 invalid by a court of competent jurisdiction, the remainder of this
5 Ordinance shall continue in full force and effect and it shall be
6 presumed that this Ordinance was adopted without the invalid
7 provision.

8 **Section 11. Savings Clause.** The Agreement as set forth in
9 **Second Revised Exhibit 1**, labeled as "Second Revised Exhibit 1,
10 Second Rev Agmt, December 1, 2014 - Rules" herein replaces and
11 supersedes the terms of the existing Police and Fire Pension Plan.
12 It is intended that there be no lapse either in time or effect
13 between this plan and such superseded plans. Any Special Act or
14 part of any Special Act in conflict with the provisions hereof is
15 repealed to the extent of the conflict and should any part of this
16 Special Act be held invalid by a Court of competent jurisdiction,
17 the remainder of this Special Act shall continue in full force and
18 effect and it shall be presumed that this Special Act was adopted
19 without the invalid provision. To the extent that anything
20 contained herein may be inconsistent with state or federal law,
21 such law will control.

22 **Section 12. Authorizing the Council Auditor's and General**
23 **Counsel's Office to make "Technical Amendments".** The Council
24 Auditors and the General Counsel's Offices are authorized to take
25 all necessary action in connection with this legislation, to
26 execute the finalization and codification of the legislation to
27 effectuate the purposes of this Ordinance as recommended by the
28 Council Committees and enacted by Council, without further Council
29 action, provided such changes and amendments are limited to
30 "technical amendments" including updating division, and
31 departmental name changes throughout the code, and do not change

1 the fiscal impact and, further provided, that all such amendments
2 shall be subject to appropriate legal review and approval by the
3 General Counsel, or designee, and all other appropriate official
4 action required by law.

5 **Section 13. Sunset.** Ordinance 2014-386-E shall sunset, be
6 repealed, be null and void, and be of no further effect if the
7 Police and Fire Pension Fund Board of Trustees does not approve and
8 execute the Agreement (**Second Revised Exhibit 1**, labeled as "Second
9 Revised Exhibit 1, Second Rev Agmt, December 1, 2014 - Rules"
10 attached hereto), as approved by 2014-386-E, on or before January
11 15, 2015.

12 **Section 14. Prospective Effective Date of Ordinance 2014-386-**
13 **E.** The provisions of this Ordinance other than Sections 12 and 13,
14 shall not become effective until such time as implementation of a
15 permanent funding source has been advanced by the Mayor and enacted
16 by Ordinance by the City Council, that provides a minimum payment
17 of \$40 million each year for ten consecutive years, or an
18 equivalent present value amount, in addition to the City's annual
19 required contribution to the Police and Fire Pension Fund, to be
20 used solely to reduce the unfunded liability of the police and fire
21 pension fund.

22 **Section 15. Effective Date.** This Ordinance shall become
23 effective upon signature by the Mayor or upon becoming effective
24 without the Mayor's signature.

25 Form Approved:

26 /s/ *Margaret M. Sidman*

27 Office of General Counsel

28 Legislation Prepared By: Margaret M. Sidman

29 g:\shared\legis.cc\2014\sub\2014-386 rules second sub 12.01.14 rev 12.05.14.doc