

1 Introduced by Council Member Gulliford and amended on the Floor of
2 Council and amended by the Finance Committee and amended four times
3 on the floor of Council:
4
5

6 **ORDINANCE 2015-304-E**

7 AN ORDINANCE PERTAINING TO CHAPTER 121 (POLICE
8 AND FIREFIGHTERS PENSION PLAN), ORDINANCE
9 CODE; CREATING SECTION 121.101(F); AMENDING
10 121.107 (D)(CREDIT FOR BROKEN SERVICE,
11 CONTINUOUS SERVICE, PARTIAL YEARS
12 TRANSFERABILITY, AND SERVICE AS A FLORIDA
13 STATE CERTIFIED POLICE OFFICER OR FIRE
14 FIGHTER); AMENDING SECTION 121.102(E) (POLICE
15 AND FIRE PENSION PLANS) CREATING A NEW
16 CATEGORY OF MEMBER KNOWN AS A "GROUP II
17 MEMBER" BASED UPON A DATE OF HIRE ON OR AFTER
18 THE EFFECTIVE DATE OF ORDINANCE 2015-304-E AND
19 SECTION 121.113(A)(1), 121.113(A)(2), AND (B)
20 (CALCULATION OF PENSION CONTRIBUTIONS FOR
21 POLICE AND FIRE PENSION FUND) REVISING THE
22 CONTRIBUTION PERCENTAGES OF EXISTING POLICE
23 AND FIRE PENSION PLAN MEMBERS; CREATING
24 SECTION 121.114 (UNFUNDED ACTUARIAL LIABILITY;
25 MUTUAL CONTRIBUTIONS) TO OUTLINE THE MUTUAL
26 OBLIGATIONS OF THE CITY AND THE POLICE AND
27 FIRE PENSION FUND BOARD OF TRUSTEES IN
28 ADDRESSING THE UNFUNDED LIABILITY; CREATING
29 SECTION 121.115 (SUPPLEMENTAL SHARE PLAN);
30 CREATING SECTION 121.116 (BOARD OF TRUSTEES
31 INVESTMENT AUTHORITY) TO OUTLINE THE

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

1 ORDINANCE UNTIL A PERMANENT FUNDING SOURCE HAS
2 BEEN PROVIDED BY THE MAYOR AND ENACTED BY
3 ORDINANCE BY THE CITY COUNCIL; PROVIDING AN
4 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 Agreement, hereinafter known as the 2015
20 Agreement or Agreement, encompasses the entire agreement between
21 the City and the Board and supersedes all previous understandings
22 practices, and arrangements, whether oral or written; and

23 **WHEREAS**, the City and the Board (collectively referred herein
24 as "the Parties") have a shared desire to resolve those certain
25 outstanding retirement issues as specifically set forth herein for
26 the benefit of taxpayers and Board members; and

27 **WHEREAS**, the Parties recognize and agree that it is in the
28 best interest of the members of the Board as well as the citizens
29 of the City of Jacksonville that those certain outstanding disputes
30 specifically related to the provisions herein be resolved, without
31 the need for further litigation; and

1 **WHEREAS**, the Parties represent that they will in good faith,
2 implement the terms of the 2015 Pension Reform Agreement (**attached**
3 **hereto as Revised Exhibit 1**, labeled as "Revised Exhibit 1, Rev
4 Agmt, June 9, 2015 - Floor", and use their best efforts to obtain
5 the approval of the authorized officials necessary for the
6 implementation of the 2015 Pension Reform Agreement; and

7 **WHEREAS**, the Agreement and adoption of the ordinances
8 suggested therein will achieve significant financial savings for
9 the City of Jacksonville taxpayers; and

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

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

15 **WHEREAS**, the Agreement provides for the amendment of the
16 Ordinance Code and Charter as necessary the issues resolved in the
17 Agreement; now, therefore,

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

19 **Section 1. Part 1, Chapter 121, Ordinance Code Amended; New**
20 **Section 121.101 (f) created; Sections 121.102(e), 121.107(d) and**
21 **121.113 Amended; Sections 121.114, 121.115, 121.116, 121.117 and**
22 **121.118 Created.** Part 1, Chapter 121, *Ordinance Code*, is hereby
23 amended; Sections 121.101(f), 121.102(e), 121.107(d) and 121.113,
24 *Ordinance Code*, are hereby amended, and Sections 121.114, 121.115,
25 121.116, 121.117 and 121.118, *Ordinance Code*, are hereby created,
26 to read as follows:

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

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

29
30 **Sec. 121.101. Control and Administration of Police and Fire**
31 **Pension Fund.**

* * *

(f) From and after the effective date of Ordinance 2015-304-E:

(1) the Board shall not engage in the determination of pension benefits and shall leave the negotiation and future modification of pension benefits to elected City officials and certified bargaining agents; (2) Nothing in this section shall be construed to impair the rights provided under Article 1, Section 6 of the Florida Constitution or Chapter 447, Florida Statutes; (3) All subjects of collective bargaining including but not limited to pension or retirement benefits shall be subject to the requirements of Chapter 447, Florida Statutes; (4) The City and any authorized certified bargaining agent shall have all of the rights and be subject to the provisions of Chapter 447, Florida Statutes, including but not limited to the requirement for negotiations, the term limitation set forth in Section 447.309(5), Florida Statute, and the impasse process, provided however, that the City shall not unilaterally alter the pension benefits of Group I Members, as authorized by Section 447.403(4)(d), Florida Statutes, for a period of 7 years from the effective date of Ordinance 2015-304-E; and (5) Nothing herein shall be construed to waive the City's or the certified bargaining agent's right to demand collective bargaining as authorized under Florida law.

Sec. 121.102. Police and Fire Pension Plans.

* * *

(e) Definitions of Membership Classes:

(1) Members: Are employees of the City of Jacksonville who have enrolled in the Police and Fire Pension Plan and are contributing to the Plan through payroll deduction and are either classified as Group I Members or Group II Members.

(2) Group I Members: Are employees of the City of Jacksonville who were hired by the City for full time employment prior to the

1 effective date of Ordinance 2015-304-E and who have enrolled in the
2 Police and Fire Pension Plan and are contributing to the Plan
3 through payroll deduction.

4 (3) Group II Members: Are employees of the City of
5 Jacksonville who are hired by the City for full time employment on
6 or after the effective date of Ordinance 2015-304-E and who have
7 enrolled in the Police and Fire Pension Plan and are contributing
8 to the Plan through payroll deduction.

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

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

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

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

1 ~~Member~~ or former ~~Qualified Member~~ may also be considered to be a
2 beneficiary in the event that there is no surviving spouse.

3 * * *

4 **Sec. 121.107. Credit for broken service, continuous service,**
5 **partial years transferability, and service as a Florida State**
6 **Certified Police Officer or ~~Fire Fighter~~Firefighter.**

7 * * *

8 (d) Any active Member of the Police and Fire Pension Fund who is
9 not a retiree and who has not attained vested status under any
10 other governmental retirement system shall be entitled to
11 purchase time service credit for up to five years of full time
12 employment as a Police Officer under the provisions of F.S.
13 Ch. 943, or as a certified ~~Fire Fighter~~ Firefighter under the
14 provisions of F.S. Ch. 633. Notwithstanding the preceding
15 sentence, any active member of the Police and Fire Pension
16 Fund who is not a retiree and seeks to purchase time service
17 credit as a Police Officer under the provisions of F.S. Ch.
18 943, or as a certified Firefighter under the provisions of
19 F.S. Ch. 633, under this paragraph for service with another
20 government in Duval County, shall be entitled to purchase up
21 to 5 years of such time service credit provided such service
22 has not been used for entitlement for benefits under any other
23 pension system. To be entitled to pension credit, a Member
24 shall make application to the Board at any time prior to
25 retirement. Furthermore, the employee shall pay into the
26 Pension Fund a sum equal to 20 percent of his or her current
27 monthly salary multiplied by the number of months (60 months
28 maximum) for which credit is being sought, on such terms as
29 the Board shall determine.

30 * * *

31 **Sec. 121.113 Calculation of pension contributions for Police**

1 **and Fire Pension Fund.**

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

4 (a) Salary Deductions.

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

1 ~~the Board and the City.~~ The foregoing eight percent deduction shall
2 be increased by two percent as follows:

3 (i) For Fire Members: On October 1, 2010, fire Members
4 received a general wage reduction of two percent. (See Agreement
5 Between the City of Jacksonville and the International Association
6 of Firefighters Local 122, October 1, 2009 through September 30,
7 2012.) In the first pay period, after the effective date of
8 Ordinance 2015-304-E, which reflects a total general wage increase
9 of at least two percent over the general wages in effect for fire
10 Members as of October 1, 2010 the fire Member's salary deduction
11 will simultaneously increase to ten percent.

12 (ii) For Police Members: On January 1, 2012, police Members
13 received a general wage reduction of three percent. (See Agreement
14 Between the City of Jacksonville and the Fraternal Order of the
15 Police, October 1, 2011 through September 30, 2014.) In the first
16 pay period, after the effective date of Ordinance 2015-304-E, which
17 reflects a total general wage increase of at least three percent
18 over the general wages in effect for police Members as of January
19 1, 2012 the police Member's salary deduction will simultaneously
20 increase to ten percent.

21 (2) Group II Members. A deduction of ten percent per
22 annum from all salaries (base salary, longevity, City college
23 incentive, enhanced certification pay, emergency operation and
24 hazardous duty pay; shift differential(provided that, the shift pay
25 included in the calculation may not exceed 125 percent of the shift
26 pay earned during the five years prior to the beginning of the
27 130th pay period immediately preceding retirement, adjusted for
28 promotion), and upgrade pay; and excluding all overtime, state
29 incentive pay, reimbursed expenses and allowances such as
30 cleaning/clothes allowances, and payments for unused accrued time),
31 of all Group II Members, to be deducted in installments from each

1 periodical paycheck of each Group II Member. The foregoing ten
2 percent per annum salary deduction shall also apply during the
3 BACKDROP period described in Section 121.211 for all eligible Group
4 II Members who elect the BACKDROP.

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

22 (bc) Notwithstanding the deduction provided in subsection
23 (a)(1) of this Section, a deduction of two percent per annum shall
24 be made from all salaries (as defined in Section 121.113(a)(1)) of
25 Qualified Members in Group I who elect to participate in the
26 deferred retirement option program, with such amount being credited
27 to the Pension Fund's Ordinance 91-1017-605, Base Benefit Fund—~~from~~
28 ~~qualified members who elect to participate in the Deferred~~
29 ~~Retirement Option Program.~~

30 (ed) In addition to the above described pension
31 contributions, the fund shall receive all proceeds from the sale of

1 surplus, lost, abandoned and unclaimed property held by the Office
2 of the Sheriff, 30 percent of fines and court costs from charges of
3 violations heard in County Court and 30 percent of all parking
4 fines.

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

16 (ef) The application of the employer pick up provisions of
17 Section 414(h)(2) of the Internal Revenue Code, as described above
18 in 121.113(e) shall also extend to elective contributions made by
19 payroll deduction installment payments for the purpose of securing
20 service credit for prior service or additional service. As used
21 herein, "elective contributions" shall include contributions
22 initiated under conditions wherein, (i) a member is eligible to
23 purchase credit for prior service under 121.107, ~~or~~ (ii) a former
24 member who received a refund of contributions previously made to
25 the fund who was subsequently rehired and again becomes a member
26 and elects to repurchase such prior broken service under 121.107,
27 or (iii) a member who is eligible to purchase service as a police
28 officer or firefighter within the State of Florida under
29 121.107(d), or (iv) a member who is eligible to purchase additional
30 permissive service credit for wartime military service under
31 121.208. However, direct payments made by the member for elective

1 contributions shall not qualify under the pick-up provisions. In
2 order to qualify for pre-tax treatment under Section 414(h)(2),
3 elective contributions paid via payroll deduction installment
4 payments must be made pursuant to the completion of a binding
5 irrevocable payroll authorization executed by the member. Such
6 employee contributions made through payroll deduction will be
7 picked up and paid by the City with the member having no option of
8 receiving such picked up amounts directly instead of having such
9 amounts contributed to the fund. The payroll deduction
10 authorization will state the number of pay periods during which the
11 deduction(s) will be made, the dollar amount of the deduction(s),
12 and that the plan will not accept direct payments from the member
13 while the payroll deduction is in effect.

14 (fg) For purposes of purchasing time service credits (or
15 "elective contributions" as defined in 121.113(f)), the fund will
16 additionally allow the lump sum amount of such purchases or
17 "elective contributions" to be alternatively made in the form of
18 the acceptance of a direct rollover of an eligible rollover
19 distribution from one or more of the providers of the Deferred
20 Compensation Plan administered by the City under Section 457 of the
21 I.R.C. effective January 1, 2002.

22 **Sec. 121.114. Unfunded Actuarial Liability; Mutual**
23 **Contributions; Florida Insurance Premium Tax Rebate Dollars.**

24 (a) As of the effective date of Ordinance 2015-304-E, the
25 Police and Fire Pension Fund has an unfunded actuarial accrued
26 liability. In order to reduce such liability, subject to
27 availability of funds and annual appropriation, the City shall make
28 contributions to the fund in excess of any annual, statutorily
29 required payments, and funds from the Enhanced Benefits Account and
30 the City Budget Stabilization Account shall be applied pursuant to
31 the formula and requirements set forth in this section.

1 (b) As of the effective date, the Enhanced Benefits Account
2 and the City Budget Stabilization Account have a combined balance
3 of not less than \$79 million. Immediately upon the effective date
4 of Ordinance 2015-304-E, the Board of Trustees shall transfer the
5 entire balances of the Enhanced Benefits Account and the City
6 Budget Stabilization Account, less \$5 million from the City Budget
7 Stabilization Account, into a newly-created Unfunded Actuarial
8 Liability Payment Account. After the transfer into the Unfunded
9 Actuarial Liability Payment Account ("UALPA"), the Enhanced
10 Benefits Account and City Budget Stabilization Account shall
11 continue to operate in the same manner as prior to the transfer.

12 (c) Beginning with the first fiscal year commencing after the
13 effective date of Ordinance 2015-304-E and ending with the
14 thirteenth fiscal year after the effective date of Ordinance 2015-
15 304-E, the City shall contribute additional unfunded liability
16 payments in the amounts outlined below. The Council may designate
17 any source of funds, subject to annual appropriation, including the
18 increase in *ad valorem* tax dollars over and above the *ad valorem*
19 tax dollars within each prior fiscal year's budget. In any year
20 that the Council makes a payment pursuant to this section, the
21 Council shall designate this payment in the annual budget as
22 separate and distinct from any other payment made to the fund,
23 including but not limited to, any payment required by statute. In
24 any year that the Council makes a payment pursuant to this section,
25 the Board of Trustees shall transfer the amount listed below from
26 the Unfunded Actuarial Liability Payment Account and apply it to
27 reduce the unfunded actuarial accrued liability. In any fiscal year
28 the City fails to make the entire payment listed below, then, in
29 that year, the Board of Trustees shall make a pro-rata transfer of
30 funds and the remainder of that year's transfer amount shall be
31 transferred to the Enhanced Benefits Account. The amount of the

1 payments by the City and transfers by the Board of Trustees shall
2 be as follows:

<u>Fiscal Year</u>	<u>City Payment</u>	<u>Transfer from UALPA</u>
<u>1</u>	<u>\$5 million</u>	<u>\$ 5 million</u>
<u>2</u>	<u>\$10 million</u>	<u>\$10 million</u>
<u>3</u>	<u>\$15 million</u>	<u>\$15 million</u>
<u>4</u>	<u>\$32 million</u>	<u>\$8 million</u>
<u>5</u>	<u>\$32 million</u>	<u>\$8 million</u>
<u>6</u>	<u>\$32 million</u>	<u>\$8 million</u>
<u>7</u>	<u>\$32 million</u>	<u>\$8 million</u>
<u>8</u>	<u>\$32 million</u>	<u>\$8 million</u>
<u>9</u>	<u>\$32 million</u>	<u>\$8 million</u>
<u>10</u>	<u>\$32 million</u>	<u>\$8 million</u>
<u>11</u>	<u>\$32 million</u>	<u>\$8 million</u>
<u>12</u>	<u>\$32 million</u>	<u>\$8 million</u>
<u>13</u>	<u>\$32 million</u>	<u>\$8 million</u>

4 If sufficient funds are not available in the Unfunded Actuarial
5 Liability Payment Account to make the transfers required by this
6 subsection in any single fiscal year, the remaining balance in the
7 Unfunded Actuarial Liability Payment Account shall be applied
8 toward the payment as a partial payment for that fiscal year, and
9 further unfunded liability payments shall not be required until
10 such time as additional funds are available in the Unfunded
11 Actuarial Liability Payment Account.

12 (d) In the fourteenth fiscal year following the effective
13 date of Ordinance 2015-304-E, the City may make an additional
14 unfunded liability payment up to a total of \$32 million. If the

1 City elects to make this fourteenth payment, the remaining balance,
2 if any, in the Unfunded Actuarial Liability Payment Account shall
3 match the City's fourteenth payment with a dollar for dollar
4 transfer, up to \$32 million.

5 (e) The Board of Trustees shall not expend or use any of the
6 money in the Enhanced Benefits Account except pursuant to this
7 section. Upon the effective date of Ordinance 2015-304-E and in
8 each of the subsequent fourteen fiscal years thereafter, 50% of the
9 Florida Insurance Premium Tax Rebate Dollars (i.e., Chapter 175/185
10 Funds) shall be deposited into the Enhanced Benefits Account and
11 50% of the Florida Insurance Premium Tax Rebate Dollars shall be
12 credited to the City as a portion of each fiscal year's actuarially
13 required contribution (i.e., ARC payment). In each year that the
14 Florida Insurance Premium Tax Rebate Dollars are deposited in the
15 Enhanced Benefit Account, or whenever there is a transfer into the
16 Enhanced Benefit Account pursuant to subsection (c), the Board of
17 Trustees may use the deposited amount of the Florida Insurance
18 Premium Tax Rebate Dollars to: (i) pay down the unfunded liability
19 as a voluntary contribution or (ii) fund a share plan as
20 established in Section 121.115 or (iii) pay the "holiday bonus".
21 (As used herein, "holiday bonus" refers to the annual discretionary
22 Chapter 175/185 Fund bonus payment identified in City Ordinance
23 2006-508-E.)

24 (f) As an alternative to the provisions of subsection (c),
25 the City may, at any time, make an equivalent present value
26 payment. The equivalent present value payment shall be the payment
27 required for the fund to reach an 80% funded status, said payment
28 amount to be confirmed by the actuary for the Board of Trustees and
29 the actuary for the City. The source of funds for such equivalent
30 present value payment shall be all amounts within the Unfunded
31 Actuarial Liability Payment Account at the time the payment is

1 made, plus whatever other source of funds the City, in its
2 discretion, uses.

3 (g) The fifteenth fiscal year after the effective date of
4 Ordinance 2015-304-E or after compliance with subsection (f), the
5 Board of Trustees may use 100% of the Florida Insurance Premium Tax
6 Rebate Dollars, and any money remaining in the Enhanced Benefit
7 Account and the Unfunded Actuarial Liability Payment Account, to
8 either: (i) pay down the unfunded liability as a voluntary
9 contribution or (ii) fund a share plan as established in Section
10 121.115 or (iii) pay the "holiday bonus."

11 **Sec. 121.115. Supplemental Share Plan.**

12 (a) Supplemental share plan retirement benefit. A supplemental
13 share plan retirement benefit ("Share Plan") is hereby created. The
14 Share Plan shall consist of an individual share account for each
15 active police officer or firefighter ("Participant") on or after
16 the effective date of Ordinance 2015-304-E. The sole source of
17 funds for the Share Plan shall be Florida Premium Tax Dollars
18 (i.e., Chapter 175/185 Funds) distributed pursuant to Section
19 121.114. The Board may deposit into the Share Plan only those
20 monies identified in Section 121.114(e) and only when in
21 conformance with the requirements of Section 121.114(c) and (e).
22 The Share Plan shall remain dormant until such time as the Board
23 makes its first deposit pursuant to Section 121.114(e).

24 (b) Participant Share Plan accounts shall be credited with
25 premium tax revenues and investment earnings or losses, and
26 interest, and distributed as set forth in this Section.

27 (c) Annual crediting. Effective January 1 after the first year
28 in which the Board has made its first contribution to the Share
29 Plan pursuant to Section 121.114(e) and each January 1 thereafter,
30 the Share Plan account of each active Participant on the city's
31 payroll as of the preceding September 30th shall be credited as

1 follows: Each active Participant who was employed on the preceding
2 September 30th shall receive one share for the plan year ending on
3 the same September 30th. The total number of shares thus determined
4 shall be divided into the premium tax revenues received by the
5 Share Plan during that plan year to determine the amount to be
6 credited to the Share Plan account of each eligible Participant.
7 Participants who had less than one year of service on September 30th
8 shall receive prorated shares for each full month of service based
9 on their partial year of service prior to September 30. Chapter
10 175 premium taxes shall be separately distributed to firefighter
11 Participants and Chapter 185 premium taxes shall be separately
12 distributed to police officer Participants. In any fiscal year in
13 which the Board of Trustees elects to fund the share plan with any
14 money transferred into the Enhanced Benefits Account, pursuant to
15 Section 121.114(c), then the Board of Trustees shall distribute
16 such funds to the Participants pursuant to a formula determined at
17 the Board of Trustee's discretion.

18 (d) Investment earnings and losses, or interest. Effective the
19 first January 1 after the Board makes its first contribution to the
20 Share Plan, and each January 1 thereafter, the Share Account of
21 each active Participant shall be credited or debited with earnings
22 or losses based upon the amount in the Share Account at the close
23 of the immediately preceding calendar year at a rate equal to the
24 pension plan's actual net rate of investment return for the
25 preceding plan year.

26 (e) Distribution of share accounts. A Participant with ten
27 (10) or more years of credited service with the City, upon
28 termination of creditable service employment, shall be eligible to
29 receive a distribution of 100 percent of the balance in his or her
30 Share Account, together with all earnings and losses and interest
31 credited to the Share Account through the date of termination of

1 employment. No benefit shall be payable to a Participant who
2 terminates creditable service employment with fewer than ten (10)
3 years of credited service. The Share Account balances of such non-
4 vested terminated Members shall be redistributed among all eligible
5 Participants' Share Accounts in the same manner as premium tax
6 revenues in the following calendar year. The designated beneficiary
7 of a Participant who has died shall receive the accumulated total
8 of their Share Account balance. A Participant awarded a disability
9 pension from the pension plan shall receive the accumulated total
10 of their Share Account balance. Payment of Share Account benefits
11 shall be by lump sum, which shall consist of the accumulated total
12 balance of the active Participant's Share Account, or, at the
13 Participant's direction, the Share Account balance may be rolled
14 over to another qualified plan in accordance with the Internal
15 Revenue Code, with an additional payment made for any amount
16 credited in the year following termination of employment.

17 (f) The Board shall promulgate uniform rules and procedures
18 for the administration of the Share Accounts and shall file a copy
19 of those rules and procedures with the City Council Secretary.

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

21 (a) The Board of Trustees is authorized to invest and reinvest
22 the assets of the Pension Fund in any lawful investment as provided
23 in applicable provisions of s.112.661, 175.071, 185.06, 215.47,
24 Florida Statutes, and, is further authorized to invest in
25 alternative investments, alternative investment vehicles and
26 portfolio positions, as those terms are defined in this section.

27 (b) Investments in hedge funds are prohibited.

28 (c) No investment shall be permitted except pursuant to a
29 written investment policy adopted by the Board of Trustees as
30 provided in chapter 112, part VII, Florida Statutes. Prior to the
31 adoption of any change in asset allocation or the introduction of a

1 new asset class, the Board of Trustees shall give 10 days written
2 notice of the meeting at which the proposed change shall be
3 considered to the City Council Finance Committee.

4 (d) For the purposes of this section, the following terms have
5 the following definitions:

6 (1) "Alternative investment" means an investment by the
7 Board of Trustees in a private equity fund which includes all of
8 the private equity sub-strategies, including venture capital,
9 distressed investing, private debt/mezzanine debt, private real
10 assets/natural resources/energy, venture fund, or distress fund or
11 a direct investment in a portfolio company through an investment
12 manager or general partner.

13 (2) "Alternative investment vehicle" means the limited
14 partnership, limited liability company, or similar legal structure
15 or investment manager through which the Board invests in a
16 portfolio company.

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

21 (4) "Portfolio positions" means individual investments in
22 portfolio companies which are made by the alternative investment
23 vehicles.

24 (5) "Proprietor" means an alternative investment vehicle,
25 a portfolio company in which the alternative investment vehicle is
26 invested.

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

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

31 (a) The selection of any Executive Director-Administrator of

1 the Jacksonville Police and Fire Pension Fund Board of Trustees
2 shall be governed by a professional process subject to Florida law
3 in which the candidate shall be selected by the Board using the
4 City Employee Services Department's search and selection processes,
5 and, if necessary, utilizing the assistance of an executive search
6 firm retained by the Board of Trustees. A salary and benefits
7 survey should be conducted prior to advertising for the position in
8 order to establish a compensation level comparable to funds of
9 similar size and complexity to the Fund. In addition to the
10 requirements of applicable law, candidates will be required to have
11 a minimum of five years of pension administration or institutional
12 investment experience, expertise in the oversight of investment
13 portfolios, and a degree in finance, economics, accounting or a
14 related area of study from an accredited university. Comparable
15 experience administering the activities of a state or local public
16 pension plan will also be considered. Candidates who are CPAs or
17 who have a JD, MBA or CFA degree will be preferred. This section
18 shall not apply to anyone holding the position of Executive
19 Director-Administrator at the time of the enactment of this
20 section.

21 (b) As part of the selection of any future Board of Trustees'
22 Executive Director-Administrator, the aggregate compensation of the
23 Executive Director-Administrator shall be determined in accordance
24 with the market analysis of comparably-sized public pension plans
25 as noted in subsection (a). The City and Board of Trustees shall
26 ensure that any future Executive Director-Administrator and any
27 senior management employee shall be placed in either the City
28 General Employees' Pension Plan or a defined contribution plan with
29 the Board of Trustees' employer contribution subject to the limits
30 of federal law.

31 **Sec. 121.118. Use of General Counsel.** The City's Office of

1 General Counsel (the "OGC") is the proper source for legal
2 representation on routine matters (e.g., open records, public
3 meetings, other ordinary legal issues, and non-pension legal
4 services) subject to the Charter and Ordinance Code. The Charter
5 and Ordinance Code allow for separate counsel for other purposes.

6 **Section 2. Part 2, Chapter 121 Amended; Section 121.201**
7 **Amended; Sections 121.201A and 121.201B Created; Sections 121.204,**
8 **121.206 and 121.209 Amended; Section 121.211 Created.** Part 2,
9 Chapter 121, *Ordinance Code*, is hereby amended; Section 121.201,
10 *Ordinance Code*, is hereby amended; Sections 121.201A and 121.201B,
11 *Ordinance Code*, are hereby created; Sections 121.204, 121.206 and
12 121.209, *Ordinance Code*, are amended; and Section 121.211,
13 *Ordinance Code*, is hereby created; to read as follows:

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

15 **PART 2. PENSION BENEFITS**

16 **Sec. 121.201. Retirement benefits.**

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

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

1 ~~(b) Disability retirement.~~

2 ~~(1) Any member, who prior to reaching the minimum normal retirement~~
3 ~~becomes permanently and totally disabled from useful and efficient~~
4 ~~service as a police officer or firefighter, as established by~~
5 ~~competent medical evidence, shall be entitled to a disability~~
6 ~~retirement. The disability retirement benefit shall be equal to 60~~
7 ~~percent of the average salary received by the member for the 52 pay~~
8 ~~periods immediately preceding the time of disability retirement.~~
9 ~~The Board shall establish the effective date on which the~~
10 ~~disability benefit shall commence. The Board shall, by rule,~~
11 ~~establish procedures for the examination of applicants for~~
12 ~~disability retirement, for the conduct of disability retirement~~
13 ~~hearings, for review of said hearings by a court of competent~~
14 ~~jurisdiction, and reexamination of retirees on disability pension.~~
15 ~~In the event the application for a disability pension is denied by~~
16 ~~the Board, then a new application for the same disability cannot be~~
17 ~~filed by the member within six months of the denial.~~

18 ~~(2) Any member of the pension funds created by these acts who has~~
19 ~~been in the service of the City for a period of time equal to the~~
20 ~~minimum time necessary for time service retirement or more and~~
21 ~~becomes permanently and totally disabled from useful and efficient~~
22 ~~service shall be entitled to the same rate of pension benefit~~
23 ~~calculation of the average salary (as defined in Section 121.113~~

24 ~~(a)) received by the member for the 52 pay periods immediately~~
25 ~~preceding the time of disability retirement as those members of his~~
26 ~~pension plan who retire on time service retirement. Any member who~~
27 ~~elects to retire under a disability pension as provided in this~~
28 ~~Section shall be required to meet the same requirements for a~~
29 ~~disability pension as are required for any other member of the~~
30 ~~respective fund requesting a disability retirement. The Board shall~~
31 ~~establish the effective date on which the disability benefit shall~~

1 ~~commence.~~

2 ~~(3) In applying the provisions of this Section, the adjustment~~
3 ~~supplement described in 121.201 (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 ~~(4) The Board shall establish the effective date on which the~~
8 ~~disability benefit shall commence. The Board shall, by rule,~~
9 ~~establish procedures for the examination of applicants for~~
10 ~~disability retirement, for the conduct of disability retirement~~
11 ~~hearings, for review of said hearings by a court of competent~~
12 ~~jurisdiction, and re-examination of retirees on disability pension.~~
13 ~~In the event the application for a disability pension is denied by~~
14 ~~the Board, a new application for the same disability cannot be~~
15 ~~filed by the member within six months of the denial.~~

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

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

1 ~~(2) In the event that the Member who is entitled to vested~~
2 ~~retirement benefits becomes deceased prior to the scheduled date~~
3 ~~for the commencement of the payment of retirement benefits, the~~
4 ~~surviving spouse and/or children of such Member shall not be~~
5 ~~entitled to a refund of contributions nor shall they be entitled to~~
6 ~~the payment of survivors benefits otherwise extended to Members who~~
7 ~~completed the required number of years of service to become~~
8 ~~eligible for minimum time service benefits.~~

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

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

13 ~~(1) A Cost of Living Adjustment (COLA) based on each prior annual~~
14 ~~benefit amount actually received (exclusive of onetime bonuses or~~
15 ~~adjustments) shall be provided for retirees and survivors.~~
16 ~~Beginning with the first bi-weekly pay period after January 1,~~
17 ~~2007, and for the first bi-weekly pay period after each succeeding~~
18 ~~January 1, the recipient shall be granted a COLA in the amount of~~
19 ~~three (3) percent.~~

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

1 ~~121.201(b) and the surviving spouse provision of section~~
2 ~~121.204(a), and becomes operative in the event of the disability or~~
3 ~~death of a member, respectively. The Mayor shall annually, each~~
4 ~~January, evaluate the annual cost of the foregoing adjustment~~
5 ~~supplement by comparing it to the City's annual cost to provide~~
6 ~~single employee group health insurance. In the event that the~~
7 ~~City's cost to provide such health insurance per employee is less~~
8 ~~than the amount of such supplement per retiree, then the supplement~~
9 ~~shall be reduced to the amount of the insurance cost.~~

10 ~~(e) Deferred Retirement Option Program (DROP). A member eligible~~
11 ~~to receive normal retirement benefits as provided in Section~~
12 ~~121.201 (a), may remain in the employment of the City until the~~
13 ~~elected termination date by electing to participate in the DROP, as~~
14 ~~provided in Section 121.209, deferring the receipt of such~~
15 ~~retirement benefits for a maximum of 130 full bi weekly pay periods~~
16 ~~(60 months) from the date of participation in the Deferred~~
17 ~~Retirement Option Program.~~

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

23 ~~(g) Annual Compensation Limit. Section 401(a)(17) of the Internal~~
24 ~~Revenue Code establishes an annual compensation limit for each~~
25 ~~employee under a qualified plan. The provisions of Code Section~~
26 ~~401(a)(17) are further described pursuant to Treasury Regulations~~
27 ~~Section 1.401(a)(17)-1. The Police and Fire Pension Plan~~
28 ~~incorporates by reference the annual compensation limit described~~
29 ~~under Section 401 (a)(17) and Treasury Regulations Section~~
30 ~~1.401(a)(17)-1. Accordingly, the Plan acknowledges that the~~
31 ~~compensation taken into account for any Member of the Plan in~~

1 ~~determining plan allocations or benefit accruals for the plan is~~
2 ~~limited to the annual compensation limit as described in Internal~~
3 ~~Revenue Code Section 401(a)(17) and the Treasury Regulations~~
4 ~~related thereto. The Plan additionally elects to avail itself of~~
5 ~~the transition rule for governmental plans as described in Treasury~~
6 ~~Regulation Section 1.401(a)(17)-1(d)(4)(ii) which provides that~~
7 ~~'eligible participants', as such term is used in the regulations,~~
8 ~~will not be affected by the revised limit per the 1993 OBRA and~~
9 ~~accordingly such 'eligible participants' may have their~~
10 ~~contributions and benefits computed by using compensation of more~~
11 ~~than \$150,000.00 (as adjusted), so long as it does not exceed the~~
12 ~~limit in effect on July 1, 1993. All other plan participants ('non-~~
13 ~~eligible participants') shall be subject to the revised limits for~~
14 ~~plan years beginning after December 31, 1995.~~

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

29 ~~(i) Required distributions. Distributions from the Plan will be~~
30 ~~made in accordance with the requirements of the regulations under~~
31 ~~Internal Revenue Code Section 401(a)(9) and that any provisions in~~

1 ~~the Plan that are contradictory to the distribution requirements~~
2 ~~shall be overridden. In accordance therewith, distributions to~~
3 ~~participants must commence by the later of April 1 of the calendar~~
4 ~~year following the calendar year in which the employee attains the~~
5 ~~age of 70 ½, or April 1 of the calendar year following the calendar~~
6 ~~year in which the employee retires. In addition to meeting the~~
7 ~~minimum distribution amount, the distribution must also meet the~~
8 ~~incidental benefit requirements of Internal Revenue Code Section~~
9 ~~401(a)(9)(g) and Proposed Regulations Sections 1.401(a)(9)-1 and~~
10 ~~1.401(a)(9)-2.~~

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

12 This Section 121.201A applies solely to Group I Members.
13 Nothing herein shall be construed to apply to Group II Members.
14 The following definitions are applicable to Group I Members:

15 (a) Time service retirement.

16 (1) For Members with 5 or more years of service as of the
17 effective date of Ordinance 2015-304-E, those Members shall be
18 entitled to a time service retirement benefit equal to a maximum of
19 80 percent of the average salary (as defined in Section 121.113
20 (a)(1)) received by the member for the 52 pay periods immediately
21 preceding the time of retirement, upon the completion of 30 years
22 of credited service. For each year prior to the thirtieth year of
23 service that a member retires, the 80 percent retirement benefit
24 shall be reduced by two percent, of the average salary (as defined
25 in Section 121.113 (a)(1)) received by the member for the 52 pay
26 periods immediately preceding the time of retirement, with the
27 minimum normal retirement benefit being 60 percent after completion
28 of 20 years of credited service.

29 (2) For Members with fewer than 5 years of service as of the
30 effective date of Ordinance 2015-304-E, those Members shall be
31 entitled to a time service retirement benefit equal to a maximum of

1 80 percent of the average salary (as defined in Section 121.113
2 (a)(1)) received by the member for the 104 pay periods immediately
3 preceding the time of retirement, upon the completion of 30 years
4 of credited service. For each year prior to the thirtieth year of
5 service that a member retires, the 80 percent retirement benefit
6 shall be reduced by two percent, of the average salary (as defined
7 in Section 121.113 (a)(1)) received by the member for the 104 pay
8 periods immediately preceding the time of retirement, with the
9 minimum normal retirement benefit being 60 percent after completion
10 of 20 years of credited service. However, in no event shall the
11 average salary be less than it would have been using the 52 pay
12 periods ending on the effective date of Ordinance 2015-304-E.

13 (b) Disability retirement.

14 (1) A Group I member, who prior to reaching the minimum normal
15 retirement becomes permanently and totally disabled from useful and
16 efficient service as a police officer or firefighter, as
17 established by competent medical evidence, shall be entitled to a
18 disability retirement. The disability retirement benefit for
19 Members with 5 years of service as of the effective date of
20 Ordinance 2015-304-E shall be equal to 60 percent of the average
21 salary received by the Member for the 52 pay periods immediately
22 preceding the time of disability retirement. The disability
23 retirement benefit for Members with fewer than 5 years of service
24 as of the effective date of Ordinance 2015-304-E shall be equal to
25 60 percent of the average salary received by the member for the 104
26 pay periods immediately preceding the time of disability
27 retirement. However, in no event shall the average salary be less
28 than it would have been using the 52 pay periods ending on the
29 effective date of Ordinance 2015-304-E. The Board shall establish
30 the effective date on which the disability benefit shall commence.
31 The Board shall, by rule, establish procedures for the examination

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

8 (2) For Group I Members with 5 or more years of service as of the
9 effective date of Ordinance 2015-304-E, who have been in the
10 service of the City for a period of time equal to the minimum time
11 necessary for time service retirement or more and become
12 permanently and totally disabled from useful and efficient service
13 shall be entitled to the same rate of pension benefit calculation
14 of the average salary (as defined in Section 121.113 (a)(1))
15 received by the member for the 52 pay periods immediately preceding
16 the time of disability retirement as those Members of his pension
17 plan who retire on time service retirement. For Group I Members
18 with fewer than 5 years of service as of the effective date of
19 Ordinance 2015-304-E, who have been in the service of the City for
20 a period of time equal to the minimum time necessary for time
21 service retirement or more and become permanently and totally
22 disabled from useful and efficient service shall be entitled to the
23 same rate of pension benefit calculation of the average salary (as
24 defined in Section 121.113 (a)(1)) received by the member for the
25 104 pay periods immediately preceding the time of disability
26 retirement as those Members of his pension plan who retire on time
27 service retirement. However, in no event shall the average salary
28 be less than it would have been using the 52 pay periods ending on
29 the effective date of Ordinance 2015-304-E. Any member who elects
30 to retire under a disability pension as provided in this Section
31 shall be required to meet the same requirements for a disability

1 pension as are required for any other member of the respective fund
2 requesting a disability retirement. The Board shall establish the
3 effective date on which the disability benefit shall commence.

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

9 (c) Vested retirement benefits.

10 (1) For Group I Members with 5 or more years of service as of the
11 effective date of Ordinance 2015-304-E, who terminate employment on
12 or after the effective date of Ordinance 2015-304-E with five or
13 more years of credited service and are not otherwise eligible to
14 retire, are eligible to receive either a deferred retirement
15 benefit of three percent of the average salary received by the
16 member for the 52 pay periods immediately preceding the date of
17 vesting, for each year of credited service prior to the date of
18 vesting, to commence on the date the member would have been
19 eligible to receive minimum time service benefits or be paid a
20 refund of 100 percent of member contributions to the Plan without
21 interest. For Group I Members with fewer than 5 years of service as
22 of the effective date of Ordinance 2015-304-E, who terminate
23 employment on or after the effective date of Ordinance 2015-304-E
24 with five or more years of credited service and are not otherwise
25 eligible to retire, are eligible to receive either a deferred
26 retirement benefit of three percent of the average salary received
27 by the member for the 104 pay periods immediately preceding the
28 date of vesting, for each year of credited service prior to the
29 date of vesting, to commence on the date the member would have been
30 eligible to receive minimum time service benefits or be paid a
31 refund of 100 percent of member contributions to the Plan without

1 interest. However, in no event shall the average salary be less
2 than it would have been using the 52 pay periods ending on the
3 effective date of Ordinance 2015-304-E. Within 30 days of a
4 member leaving the payroll prior to normal service retirement, the
5 member must make the election in writing to either vest or the
6 refund will be issued automatically. Acceptance of the refund of
7 employee contributions constitutes an irrevocable waiver of all
8 rights to benefits from the Plan.

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

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

20 (d) Cost of Living Adjustments.

21 (1) A Cost of Living Adjustment (COLA) based on each prior annual
22 benefit amount actually received (exclusive of onetime bonuses or
23 adjustments) shall be provided for retirees and survivors. For
24 Members with 20 or more years of credited service as of the
25 effective date of Ordinance 2015-304-E, beginning with the first
26 bi-weekly pay period in the first January after commencement of
27 benefit and in each subsequent first bi-weekly pay period in
28 January, the recipient shall be granted a COLA in the amount of
29 three percent. For Members with fewer than 20 years of credited
30 service as of the effective date of Ordinance 2015-304-E, beginning
31 with the first bi-weekly pay period in the first January after

1 commencement of benefit and in each subsequent first bi-weekly pay
2 period in January, the Member shall be granted a COLA equal to
3 three percent applied to the portion of the accrued benefit based
4 on credited service prior to the effective date of Ordinance 2015-
5 304-E, and equal to the Social Security COLA for the same plan
6 year, but not to exceed six percent, applied to the portion of the
7 accrued benefit based on credited service on and after the
8 effective date of Ordinance 2015-304-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
16 (25) 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.

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 effective date of
16 Ordinance 2015-304-E, by the most recent cost of living adjustment
17 applicable to recipients of Social Security retirement benefits, as
18 determined by the U.S. Social Security Administration each calendar
19 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 Credited Service:	Retirement Benefit as a Percentage of Final Average Salary as defined in 121.113(a)(2):
25, but less than 26	52.50%

1	26, but less than 27	55.00%
2	27, but less than 28	60.00%
3	28, but less than 29	65.00%
4	29, but less than 30	70.00%

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

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

1 or death of a member, respectively. The Mayor shall annually, each
2 January, evaluate the annual cost of the foregoing adjustment
3 supplement by comparing it to the City's annual cost to provide
4 single employee group health insurance. In the event that the
5 City's cost to provide such health insurance per employee is less
6 than the amount of such supplement per retiree, then the supplement
7 shall be reduced to the amount of the insurance cost.

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

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

1 than \$150,000.00 (as adjusted), so long as it does not exceed the
2 limit in effect on July 1, 1993. All other plan Participants ('non-
3 eligible participants') shall be subject to the revised limits for
4 plan years beginning after December 31, 1995.

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

19 (h) Required distributions. Distributions from the Plan will be
20 made in accordance with the requirements of the regulations under
21 Internal Revenue Code Section 401(a)(9) and any provisions in the
22 Plan that are contradictory to the distribution requirements shall
23 be overridden. In accordance therewith, distributions to
24 Participants must commence by the later of April 1 of the calendar
25 year following the calendar year in which the employee attains the
26 age of 70 ½, or April 1 of the calendar year following the calendar
27 year in which the employee retires. In addition to meeting the
28 minimum distribution amount, the distribution must also meet the
29 incidental benefit requirements of Internal Revenue Code Section
30 401(a)(9)(g) and Proposed Regulations Sections 1.401(a)(9)-1 and
31 1.401(a)(9)-2.

* * *

Sec. 121.204 Surviving Spouse Benefits.

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

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

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

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

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

27 * * *

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

1 spouse at the time of admission to the nursing or hospital
2 facility.

3 * * *

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

5 * * *

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

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

1 becomes eligible for the payment of children's benefits the
2 remaining eligible children shall receive the greater of the
3 benefits provided for in this Section up to the limits provided.

4 * * *

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

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

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

31 (1) A member who is eligible to receive normal retirement benefits

1 under Section 121.201A(a) may participate in the DROP providing the
2 member elects to participate within the time limits contained in
3 Section 121.209(b)(1).

4 * * *

5 (b) *Participation in the DROP.*

6 * * *

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

9 * * *

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

11 (1) Effective with the date of DROP participation, the Mmember's
12 initial normal retirement benefit, including creditable service and
13 average compensation, as provided in Section 121.201A(a) and the
14 effective date of retirement shall be fixed. Such normal retirement
15 benefits, together with annual cost of living adjustments as
16 provided in Section 121.201A(d), and interest, shall accrue monthly
17 in the fund for the benefit of the DROP Participant. For Members
18 with 20 or more years of creditable service, as of the effective
19 date of Ordinance 2015-304-E, sSuch interest shall produce an
20 annual rate of return of 8.40 percent. For Members with less than
21 20 years of service as of the effective date of Ordinance 2015-304-
22 E, such interest shall accrue based on the money-weighted rate of
23 return as presented in the plan's most recent audited financial
24 statements as required by Statement 67 of GASB; provided however,
25 that the minimum interest shall be 2.0 percent and the maximum
26 interest shall be 14.4 percent. Interest calculations shall be
27 administered in accordance with rules prescribed by the board and
28 interest distributions shall be credited using the 30-day
29 month/360-day year method of calculation.

30 * * *

31 (3) At the conclusion of the Participant's DROP and termination of

1 employment with the City, the Board shall distribute the
2 Participant's total accumulated DROP benefits, as soon as
3 administratively practical, subject to the following provisions:

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

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

19 * * *

20 d. Monthly distribution. The account balance shall be distributed
21 in a monthly amount paid biweekly of substantially equal amounts,
22 until the DROP account is depleted, over a stipulated number of bi-
23 weekly periods to be selected by the Participant or the surviving
24 spouse, less withholding taxes remitted to the Internal Revenue
25 Service. Such selection once made, cannot be changed, unless
26 changed to Option (a) or (b), above. For Members with less than 20
27 years of service as of the effective date of Ordinance 2015-304-E,
28 the annual rate of interest to be factored into the biweekly
29 distributions and credited as the rate earned on the account
30 balance will change each January and shall be the money-weighted
31 rate of return as presented in the plan's most recent audited

1 financial statements as required by Statement 67 of GASB; provided
2 however, that the minimum interest shall be 2.0 percent and the
3 maximum interest shall be 14.4 percent. For Members with 20 or more
4 years of service as of the effective date of Ordinance 2015-304-E,
5 the annual rate of interest to be factored into such distribution
6 period shall be 8.4 percent. Notwithstanding the foregoing, in the
7 event that the Participant selected a payout period over the
8 Participant's life expectancy or over the joint life expectancies
9 of the Participant and the Participant's spouse in order to avoid
10 the application of the ten percent additional tax on early
11 distributions reflected in Section 72(t) of the Internal Revenue
12 Code, such Participant may shorten the number of biweekly payout
13 periods originally selected by the Participant, provided that the
14 timing of such modification conforms to the standards described in
15 Section 72(t)(4) of the Internal Revenue Code.

16 * * *

17 (5) DROP Participants shall not be eligible for the disability
18 retirement benefits provided in Section 121.201A(b) of this
19 Chapter.

20 * * *

21 (e) Cost of living adjustment. On the first full biweekly pay
22 period after April 1, 2000 or as soon as administratively practical
23 thereafter, and for the first full biweekly pay period after each
24 succeeding April 1st, the deferred retirement benefit may be
25 increased, under the provisions of Section 121.201A(d)(1), if
26 applicable.

27 (f) Health insurance subsidy. DROP Participants are not eligible
28 for the health insurance subsidy as provided in Section
29 121.201A(d)(2) of this Chapter until termination of employment is
30 effectuated.

31 * * *

1 (i) *Contributions and deductions.*

2 (1) The employer contributions on the salary, as defined in Section
3 121.113(a)(1) of DROP Participants shall be zero percent.

4 (2) A deduction of two percent per annum shall be made from all
5 salaries (as defined in Section 121.113(a)(1)) of DROP Participants
6 as the contribution from the Participant during the period of DROP
7 participation, with such amount being credited to the Base Benefits
8 Fund.

9 * * *

10 **Sec. 121.211 BACKDROP for Group II Members.**

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

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

20 (i) One copy of a signed and submitted letter of resignation dated
21 effective as of the date of election to participate in the
22 BACKDROP.

23 (ii) A properly completed BACKDROP application on forms provided by
24 the Fund, which, once submitted, shall be irrevocable by the
25 member.

26 (iii) Subject to Section 121.211(d), the selection of the dates
27 that begin and end the period of participation in the BACKDROP (the
28 "BACKDROP Period"). The BACKDROP period shall not exceed five
29 years.

30 (iv) An agreement to replace the retirement benefits otherwise
31 applicable with BACKDROP benefits and a reduced time service

1 benefit calculated as of the beginning of the BACKDROP Period as if
2 the BACKDROP Participant had retired as of that date, but payable
3 starting as of actual retirement at the end of the BACKDROP Period.

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

6 (2) For purposes of this Section, each eligible member who elects
7 to participate in the BACKDROP and satisfies all of the
8 requirements of this Section shall be referred to as a "BACKDROP
9 Participant".

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

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

17 (i) The time service retirement benefits pursuant to Section
18 121.201B the BACKDROP Participant Member would have received had
19 the BACKDROP Participant actually retired at the commencement of
20 the BACKDROP Period, and

21 (ii) Interest on benefits credited pursuant to Section 121.211(a).
22 The amount of interest to be credited shall be determined pursuant
23 to Section 121.211(e).

24 (2) Upon retirement, the BACKDROP Participant thereafter shall be
25 eligible to receive a reduced time service benefit determined as of
26 the beginning of the BACKDROP period, as defined in Section
27 121.211(b)(1)(iii). Should the Member elect to use any year or
28 partial year of service which occurred prior to reaching 30 years
29 of credited service in their BACKDROP period, the retirement
30 benefit otherwise calculated for those years will be reduced by two
31 percent of average salary as defined in Section 121.113(a)(2). The

1 reduced time service benefit will be calculated as follows:

Number of years of	Retirement Benefit as a of
Credited Service at	Percentage of Average
Commencement of BACKDROP:	Salary as defined in Sec.
	<u>121.113(a)(2):</u>
25 but less than 26	52.50%
26 but less than 27	57.00%
27 but less than 28	61.50%
28 but less than 29	66.00%
29 but less than 30	70.50%

12
13 (e) Interest shall be credited starting from the hypothetical date
14 the payment would have been made had the BACKDROP Participant
15 retired as of the beginning of the BACKDROP period to the end of
16 the BACKDROP period at an annual rate of return, compounded
17 annually, equivalent to the money-weighted rate of return as
18 presented in the plan's most recent audited financial statements as
19 required by Statement 67 of GASB during the applicable period of
20 BACKDROP, provided that such rate of return shall not be less than
21 zero nor more than ten percent.

22 (f) A BACKDROP Participant shall not be entitled to receive any
23 cost-of-living increase during the BACKDROP Period. The waiting
24 period to receive cost-of-living increases, as set forth in Section
25 121.201B(d), shall commence upon retirement.

26 (g) Provided the BACKDROP Participant has satisfied all
27 requirements set forth in this Section, within 30 days from the
28 date of expiration of the BACKDROP Period or as soon as practical
29 thereafter, the Retirement Plan shall disburse the amount of the
30 BACKDROP Participant's BACKDROP benefits to the BACKDROP

1 Participant.

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

5
6 **Section 3. Part 5, Chapter 121 Created.** Part 5, Financial
7 Investment and Advisory Committee, Chapter 121, *Ordinance Code*, is
8 hereby created to read as follows:

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

10 * * *

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

12
13 **Sec. 121.501. Financial Investment and Advisory Committee**
14 **Created.** There is hereby created a Jacksonville Police and Fire
15 Pension Fund Board of Trustees Financial Investment and Advisory
16 Committee of five persons.

17 **Sec. 121.502. General Responsibilities and Duties of**
18 **Financial Investment and Advisory Committee.** The Financial
19 Investment and Advisory Committee shall have the responsibility and
20 duty to provide advice to the Jacksonville Police and Fire Pension
21 Board of Trustees ("Board") on: (1) financial matters; (2)
22 actuarial practices and assumptions; (3) investment strategy and
23 policy; (4) the selection of outside financial services providers,
24 including investment managers and advisors; and (5) such other
25 matters as requested by the Board.

26 **Sec. 121.503. Financial Investment and Advisory Committee;**
27 **Membership, Appointment and Terms.**

28 (a) Financial Investment and Advisory Committee members shall be
29 financially sophisticated professionals with expertise in any or
30 all of the following competencies: actuarial science, fiscal
31 operations, or investment practices. Criteria for service will

1 include knowledge, of and experience and familiarity with,
2 portfolio and/or pension fund management, institutional investment
3 and fiduciary responsibilities.

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

8 (c) The term of office shall be three years. No person shall
9 serve more than three consecutive terms. Of the five persons
10 selected to serve on the initial Committee two members shall serve
11 initial terms of two years. In its confirmation of the Committee
12 Member nominee, the City Council shall designate whether the
13 initial term is for two or for three years.

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

16 (a) With regard to general strategy matters such as actuarial
17 practices and assumptions, asset allocation, accounting
18 determinations, risk management, actuarial assumptions, the
19 Financial Investment Advisory Committee may at any time provide
20 advice and recommendations to the Board, which shall receive and
21 act upon such advice and recommendations as the Board, in its
22 fiduciary capacity, shall determine.

23 (b) With regard to the selection (or deselection) of individual
24 investment managers, the Board of Trustees shall not select any
25 investment manager without first obtaining the advice and
26 recommendation of the Financial Investment and Advisory Committee
27 which, with the assistance of the professional staff of the Board,
28 shall review any and all potential asset/investment managers. In
29 selecting (or deselecting) the Board will then make its decision(s)
30 taking into account Financial Investment and Advisory Committee
31 recommendations as well as other information available to the

1 Board.

2 (c) With regard to the selection (or deselection) of other
3 professionals or professional services, including, but not limited
4 to, actuaries, the Financial Investment and Advisory Committee
5 shall furnish advice and recommendations to the Board as requested
6 by the Board, following such processes as may be determined with
7 respect to the particular selection (or deselection).

8 (d) Notwithstanding any provision of this section, nothing shall
9 prohibit the Board from immediately removing a financial advisor,
10 manager, consultant or custodian, when in the opinion of the Board,
11 with the advice of the Investment Consultant, such action is
12 necessary to safeguard the Fund from loss. The assets held by any
13 such deselected manager shall be placed in a pre-selected index
14 fund for the same class of investment until a replacement manager
15 can be selected as provided for in this section.

16 **Sec. 121.505. Financial Investment and Advisory Committee;**
17 **Fiduciary Responsibilities; Improper Business Relationships.**

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

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

28 (c) No business organization or affiliate thereof that is owned or
29 controlled by, or employs, a member of the Financial Advisory and
30 Investment Committee or a spouse, child or sibling of a member of
31 the Financial Investment and Advisory Committee shall directly or

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

5
6 **Sec. 121.506. Financial Investment and Advisory Committee;**
7 **Miscellaneous Provisions.**

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

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

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

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

16 * * *

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

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

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

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

30 (c) No business organization or affiliate thereof that is owned or
31 controlled by, or employs, a member of the Board of Trustees or a

1 spouse, child or sibling of a member of the Board of Trustees shall
2 directly or indirectly contract with or provide services for the
3 investment of Police and Fire Pension Fund assets during the time
4 of such member's service on the Board of Trustees or for two (2)
5 years thereafter.

6 **Sec. 121.602. Actuarial Assumptions.** The assumed annual
7 actuarial rate of return Jacksonville Police and Fire Pension Fund
8 at the date of the adoption of this section shall be 7.0%. This
9 rate shall be modified only as required by law or upon agreement by
10 the City and the Police and Fire Pension Fund Board of Trustees,
11 based on sound actuarial practices.

12 **Sec. 121.603. Actuarial and investment reports.**

13 (a) The Police and Fire Pension Fund Board of Trustees shall have
14 the duty to have an annual actuarial valuation of the Police and
15 Fire Pension Fund performed by the Board of Trustee's actuary.
16 This valuation shall be performed as of October 1 of each year. The
17 annual actuarial valuations shall be completed and delivered as
18 expeditiously as possible to the Board, the Financial Investment
19 and Advisory Committee, the City's Director of Finance and to the
20 City Council Auditor promptly upon completion but, in any event,
21 the Board of Trustees shall have the valuation analyses and reports
22 completed and delivered no later than 120 days after October 1. The
23 120-day deadline set forth herein is conditioned upon the City
24 promptly responding to reasonable requests made by the Board of
25 Trustees to the City for information necessary for the preparation
26 of such valuations.

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

30 (1) Annual actuarially required contributions
31 calculations based on most recent actuarial assumptions;

1 (2) No fewer than two alternative funding scenarios based
2 on variable investment performance in addition to the base case,
3 that extend to future years and incorporate volatility;

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

6 (4) Consistency in actuarial methods;

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

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

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

14 (c) The actuarial practices will be consistent from year to year
15 unless changed through an "experience study" or decision of the
16 Board, with advice from the Financial Investment and Advisory
17 Committee, or unless necessary for compliance with applicable laws
18 or regulations.

19 (d) The Board of Trustees must distribute to City's Chief Financial
20 Officer and City Council Auditor the Police and Fire Pension Fund's
21 quarterly investment return reports. These reports must, at a
22 minimum, show gross gain/loss results as well as gain/loss results
23 net of investment fees. These quarterly reports must also include
24 comparisons to (1) assumption and benchmarks of the Police and Fire
25 Pension Fund and (2) results of comparable pension funds.

26 **Sec. 121.604. Annual Financial Statements.**

27 (a) On or before January 31 of each year, commencing with the first
28 January following the effective date of Ordinance 2015-304-E, the
29 Board of Trustees shall prepare annual financial statements for the
30 fiscal year ending the previous September 30 and submit such annual
31 financial statements electronically or as otherwise agreed to the

1 Mayor, City Council President, City Director of Finance, City
2 Council Auditor, and the Treasurer of the Board; and, on or before
3 March 15 of each year, to the Florida Department of Management
4 Services (the "Department") in format(s) prescribed by the
5 Department.

6 (b) The annual financial statements shall be in compliance with the
7 requirements of the Government Accounting and Standard Board's
8 Statement No. 67, Financial Reporting for Pension Plans and
9 Statement No. 68, Accounting and Financial Reporting for Pensions,
10 using the mortality tables and generational projections by gender
11 most recently available from qualified actuarial sources. If yet
12 unaccepted updates also are available that suggest longevity
13 improvements beyond accepted tables, then such updates shall be
14 used in lieu of accepted tables so long as such usage remains
15 acceptable within GASB requirements and is permitted by applicable
16 law.

17 (c) The annual financial statements shall report funding status,
18 contribution rates and expected normal cost of new benefits earned
19 using both the current assumed rate of return on investments and an
20 assumed discount rate that is 200 basis points less than the Fund's
21 assumed rate of return.

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

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

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

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

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

4 **Sec. 121.606. Ethics, Certification and Disclosure**
5 **Requirements for Investment Managers and Advisors.**

6 (a) Any investment manager or advisor of the Police and Fire
7 Pension Fund who has discretionary authority for any investment of
8 the fund, any custodian of Fund assets, and any investment
9 consultant retained by the Board shall agree to certify, annually,
10 to the Financial Investment and Advisory Committee and to the Board
11 of Trustees, no later than the January 31 following the previous
12 calendar year, that:

13 (1) The investment manager, advisor, custodian, or investment
14 consultant acknowledges that the manager or advisor serves as a
15 fiduciary to the Police and Fire Pension Fund and agrees to be
16 bound by all responsibilities of a fiduciary;

17 (2) All investment decisions made by the investment manager,
18 advisor, custodian, or investment consultant on behalf of the
19 Police and Fire Pension Fund are made in the best interests of the
20 Fund and not made in a manner to the advantage of such investment
21 advisor, manager, custodian, investment consultant, other persons,
22 or clients to the detriment of the Fund;

23 (3) Appropriate policies, procedures, or other safeguards
24 have been adopted and implemented by such manager, advisor,
25 custodian, or investment consultant to ensure that relationships
26 with any affiliated persons or entities do not adversely influence
27 the investment decisions made on behalf of the Police and Fire
28 Pension Fund;

29 (4) The investment manager, advisor, custodian, or investment
30 consultant is not the subject of a claim or litigation brought by a
31 present or former client or by a regulatory agency asserting that

1 such investment manager, advisor, custodian, or investment
2 consultant has breached its fiduciary responsibilities, or, if such
3 be the case, the investment manager, advisor, custodian, or
4 investment consultant shall disclose the particulars of each such
5 claim or litigation;

6 (5) A written code of ethics, conduct, or other set of
7 standards, as submitted by the investment manager or advisor to the
8 Financial Investment and Advisory Committee and the Board of
9 Trustees and accepted by both the Financial Investment and
10 Advisory Committee and the Board of Trustees, (i) governs the
11 professional behavior and expectations of owners, general partners,
12 directors or managers, officers, and employees of the investment
13 advisor, manager, custodian, or investment consultant; (ii) has
14 been adopted and implemented; and (iii) is effectively monitored
15 and enforced; and

16 (6) Policies of the Board concerning prohibited business
17 relationships among family members and other related parties have
18 been complied with.

19 (b) Any investment manager, advisor, custodian, or investment
20 consultant of the Police and Fire Pension Fund who has
21 discretionary authority for any investment of the Police and Fire
22 Pension Fund shall agree to disclose annually to the Financial
23 Investment and Advisory Committee and to the Board, no later than
24 the January 31 following the previous calendar year:

25 (1) Any known circumstances or situations that a prudent
26 person could expect to create an actual or potential conflict of
27 interest, including specifically (i) any material interests in or
28 with financial institutions with which officers and employees
29 conduct business on behalf of the Police and Fire Pension Fund, and
30 (ii) any personal financial or investment positions of the
31 investment manager, advisor, custodian, or investment consultant

1 that could be related to the performance of an investment program
2 of the Police and Fire Pension Fund over which the investment
3 manager, advisor, custodian, or investment consultant has
4 discretionary investment authority on behalf of the Police and Fire
5 Pension Fund; and

6 (2) All direct or indirect pecuniary interests that the
7 investment manager, advisor, custodian, or investment consultant
8 has in or with any party to a transaction with the Police and Fire
9 Pension Fund if the transaction is related to any discretionary
10 investment authority that the investment manager or advisor
11 exercises on behalf of the Police and Fire Pension Fund.

12 **Section 5. Article 22 of the Charter Amended.** As authorized
13 by Sections 175.061 and 185.05 Florida Statutes and the Charter of
14 the City of Jacksonville, Section 22.02 of the Charter of the City
15 of Jacksonville is amended to read as follows:

16 **ARTICLE 22. JACKSONVILLE POLICE AND FIRE PENSION BOARD OF**
17 **TRUSTEES.**

18 * * *

19 **Sec. 22.02. - Membership.**

20 (a) The membership of the Jacksonville Police and Fire Pension
21 Board of Trustees shall consist of five members, of whom two shall
22 be legal residents of the City of Jacksonville appointed by the
23 city council; one shall be a police officer elected by a majority
24 vote of the police officers who are members of the pension fund,
25 and one shall be a firefighter elected by a majority of the
26 firefighters who are members of the pension fund, and the last
27 shall be chosen by a majority of the previous four members. The
28 fifth member's name shall be submitted to the City Council, which
29 shall, as a ministerial act, appoint such person as the fifth
30 member of the board. Effective for all new appointments after July
31 1, 2005, each resident member shall serve as a trustee for a period

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

22 * * *

23 **Section 6. Approval of 2015 Retirement Reform Agreement;**
24 **Authorization to Execute and Implement; Ordinance Code Amendments**
25 **Effective Date.** There is hereby approved and the Mayor, or his
26 designee, and the Corporation Secretary are authorized to execute
27 and deliver, for and on behalf of the City, the 2015 Retirement
28 Reform Agreement in the form attached as **Revised Exhibit 1**, labeled
29 as "Revised Exhibit 1, Rev Agmt, June 9, 2015 - Floor", and take,
30 or cause to be taken, for and on behalf of the City, such further
31 action as is necessary to effectuate the purpose of this Ordinance

1 2015-304-E. The provisions of Sections 1-5 of this Ordinance 2015-
2 304-E shall not become effective unless the parties to the
3 Agreement execute said Agreement as set forth herein. The executed
4 Agreement shall be placed on file with Legislative Services. Upon
5 codification of Sections 1-5 of this Agreement, the codifier shall
6 replace all references to the "effective date" in the ordinance
7 code provisions amended and enacted in this Ordinance 2015-304-E
8 with the date upon which all parties to the Agreement have executed
9 the Agreement.

10 **Section 7. Actuarial Impact Statement.** The actuarial impact
11 statement required by Section 112.63(3), Florida Statutes, as a
12 condition to any proposed change in retirement benefits, is
13 attached as **Revised Exhibit 2**, labeled as "Revised Exhibit 2,
14 Revised Actuarial Impact, May 12, 2015 - Floor".

15 **Section 8. Interpretation.** Any ordinance or Charter provision
16 or part of any ordinance or Charter provision in conflict with the
17 provisions hereof is repealed to the extent of the conflict. Should
18 any part of this Ordinance 2015-304-E be held invalid by a court of
19 competent jurisdiction, the remainder of this Ordinance 2015-304-E
20 shall continue in full force and effect and it shall be presumed
21 that this Ordinance 2015-304-E was adopted without the invalid
22 provision.

23 **Section 9. Savings Clause.** The Agreement as set forth in
24 **Revised Exhibit 1**, labeled as "Revised Exhibit 1, Rev Agmt, June 9,
25 2015 - Floor", herein encompasses the entire agreement of the
26 Parties and supersedes all previous understandings, practices, and
27 arrangements, whether oral or written. Any ordinance or Charter
28 provision or part of any ordinance or Charter provision in conflict
29 with the provisions hereof is repealed to the extent of the
30 conflict and should any part of this Ordinance 2015-304-E or
31 Agreement attached hereto as **Revised Exhibit 1**, labeled as "Revised

1 Exhibit 1, Rev Agmt, June 9, 2015 - Floor" be held invalid by a
2 Court of competent jurisdiction, the remainder of this Ordinance
3 2015-304-E and the Agreement shall continue in full force and
4 effect and it shall be presumed that this Ordinance 2015-304-E and
5 the Agreement were adopted without the invalid provision. To the
6 extent that anything contained herein may be inconsistent with
7 state or federal law, such law will control.

8 **Section 10. Authorizing the Council Auditor's and General**
9 **Counsel's Office to make "Technical Amendments"**. The Council
10 Auditors and the General Counsel's Offices are authorized to take
11 all necessary action in connection with this legislation, to
12 execute the finalization and codification of the legislation to
13 effectuate the purposes of this Ordinance as recommended by the
14 Council Committees and enacted by Council, without further Council
15 action, provided such changes and amendments are limited to
16 "technical amendments" including updating division, and
17 departmental name changes throughout the code, and do not change
18 the fiscal impact or substantive provisions and, further provided,
19 that all such amendments shall be subject to appropriate legal
20 review and approval by the General Counsel, or designee, and all
21 other appropriate official action required by law.

22 **Section 11. Sunset.** Ordinance 2015-304-E shall sunset, be
23 repealed, be null and void, and be of no further effect if the
24 Police and Fire Pension Fund Board of Trustees does not approve and
25 execute the Agreement (**Revised Exhibit 1**, labeled as "Revised
26 Exhibit 1, Rev Agmt, June 9, 2015 - Floor", as approved by 2015-
27 304-E, on or before June 30, 2015.

28 **Section 12. Effective Date.** This Ordinance shall become
29 effective upon signature by the Mayor or upon becoming effective
30 without the Mayor's signature.
31

1 Form Approved:

2

3



4 Office of General Counsel

5 Legislation Prepared By: Ashley Benson

6 G:\SHARED\LEGIS.CC\2015\Ord\2015-304-E.doc


7

ORDINANCE 2014-304-E

CERTIFICATE OF AUTHENTICATION

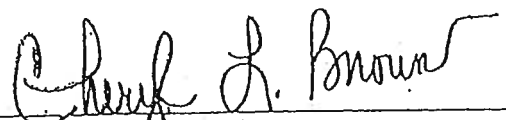
ENACTED BY THE COUNCIL

June 09, 2015



CLAY YARBROUGH
COUNCIL PRESIDENT

ATTEST:



CHERYL L. BROWN
COUNCIL SECRETARY

APPROVED:



ALVIN BROWN, MAYOR

