

ORDINANCE NO. C-25-

AN ORDINANCE OF THE CITY OF FORT LAUDERDALE, FLORIDA, AMENDING SECTIONS 20-107 AND 20-110 OF THE CODE OF ORDINANCES OF THE CITY OF FORT LAUDERDALE, FLORIDA, BY EXTENDING THE PERIOD DURING WHICH AN ACTIVELY EMPLOYED MEMBER OF THE GENERAL EMPLOYEES' RETIREMENT PLAN MAY PARTICIPATE IN THE DEFERRED RETIREMENT OPTION PROGRAM FROM THIRTY-SIX MONTHS TO SIXTY MONTHS, PROVIDING FOR CORRECTION OF SCRIVENER'S ERRORS AND PROVIDING FOR SEVERABILITY, REPEAL OF CONFLICTING ORDINANCE PROVISIONS, AND EFFECTIVE DATE.

WHEREAS, the City of Fort Lauderdale General Employees' Retirement Plan includes a deferred retirement option program (DROP), in which members who have attained normal retirement eligibility may elect to participate, in lieu of retirement; and

WHEREAS, participation in the DROP is limited to a maximum period of thirty-six months from the date in which a Plan member first becomes eligible to participate in the DROP; and

WHEREAS, the City of Fort Lauderdale and the Federation of Public Employees, a Division of the National Federation of Public and Private Employees, AFL-CIO, which represents a bargaining unit of the City's general employees, recently ratified a new collective bargaining agreement covering the period October 1, 2025 through September 30, 2028; and

WHEREAS, the City of Fort Lauderdale and the Teamsters Local Union 769, which represents a bargaining unit of the City's general employees, recently ratified a new collective bargaining agreement covering the period October 1, 2025 through September 30, 2028; and

WHEREAS, in accordance with the terms of these collective bargaining agreements, the maximum period during which an active Plan member may participate in the DROP shall be extended from thirty-six months to sixty months from the date such member first attains DROP eligibility; and

WHEREAS, the City Commission has determined that amending the General Employees' Retirement Plan to extend the maximum DROP participation period would serve a

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legitimate municipal purpose and would be in the best interest of the employees and residents of the City of Fort Lauderdale:

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

SECTION 1. That Section 20-107 of the Code of Ordinances of the City of Fort Lauderdale, Florida, is amended to provide as follows:

Sec. 20-107. Definitions

As used herein, unless otherwise defined or required by the context, the following words and phrases shall have the meanings indicated:

* * *

DROP Period means the period of time commencing when an eligible Member commences his DROP Retirement after attaining his DROP Retirement Date and concluding upon the earliest of (i) a DROP Participant's death during DROP Retirement, (ii) conversion of DROP Retirement into a normal Retirement, which such conversion shall occur no later than thirty-six (36) months after the eligible Member's DROP Retirement Date, or (iii) termination of employment prior to either (i) or (ii) above; provided, however, that the commencement of a DROP Period for certain Members may be deferred beyond the attainment of their Normal Retirement Date under section 20-110(a.1)(4)a. under the terms provided therein. For Members employed on October 1, 2025, the maximum DROP Period shall be sixty (60) months from an eligible Member's DROP Retirement Date.

* * *

SECTION 2. That Section 20-110 of the Code of Ordinances of the City of Fort Lauderdale, Florida, is amended to provide as follows:

Sec. 20-110. – Retirement Benefits

* * *

(a.1) *Deferred Retirement Option Program.* A Deferred Retirement Option Program ("DROP") is hereby created for eligible Members. The purpose of this DROP is to encourage eligible

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Members to commence Retirement in accordance with the DROP at the earliest available date. Notwithstanding anything to the contrary herein, neither the Board nor the City shall take any action contrary to the Internal Revenue Code provisions applicable to this Plan or the tax qualification status of this Plan.

- (1) Members who have reached their DROP Retirement Date and whose employment with the City has not already terminated shall be eligible to participate in the DROP during the DROP Period.
- (2) In order to participate in the DROP, an eligible Member must meet the following conditions:
 - a. The eligible Member must have attained his DROP Retirement Date, elect normal Retirement and must elect to defer receipt of his normal monthly Retirement benefit into a DROP Account.
 - b. A written election of DROP participation form, on forms promulgated by the Board, must be filed by the eligible Member with both the Board and the City's director of human resources at least three (3) months prior to the beginning of the DROP Period, except for those Members qualifying under section 20-110 (a.1)(4)a., who shall be governed by the filing dates indicated therein. An otherwise eligible Member may file an election of DROP participation form three (3) months prior to his DROP Retirement Date.
 - c. Upon filing of the election of DROP participation form as required above, the eligible Member shall obtain from the City's director of human resources an irrevocable resignation and waiver form, on forms promulgated by the City. The resignation and waiver form shall provide for the Member's irrevocable resignation from employment, with the actual date of termination being postponed until the end of the DROP Period. The administration and timing of execution and delivery of the resignation and waiver form shall meet the requirements of the Age Discrimination in Employment Act and the Older Worker's Benefits Protection Act, as same may be amended from time to time. The eligible Member must execute and deliver the resignation and waiver form to both the Board and the City's director of human resources at least forty-five (45) days prior to the beginning of the DROP Period. An otherwise eligible Member may file the irrevocable resignation and waiver form provided for herein prior to his Normal Retirement Date.

- (3) An eligible Member electing to participate in the DROP shall have receipt of his normal monthly Retirement benefits deferred and transferred, on a monthly basis as such normal monthly Retirement benefits would otherwise be payable, into a DROP Account for the DROP Period, commencing with the first day of the first month after which the conditions in section 20-110(a.1)(2) are met. The amount of the normal monthly Retirement benefits deferred and transferred into a DROP Account shall be in accordance with the amount otherwise payable under section 20-110(a)(1), including, to the extent applicable, cost of living adjustments otherwise payable under section 20-110(h).
- (4) For each calendar month, or fraction thereof, beyond the Normal Retirement Date that an eligible Member delays election to participate in the DROP, the maximum period of participation in the DROP shall be proportionately reduced.
- a. For Members who (i) first attain their Normal Retirement Date on or before February 1, 2002, (ii) elected to commence DROP Retirement by filing the election forms under section 20-110(a.1)(2)b. and c. no later than March 1, 2002, and (iii) commence DROP Retirement no later than May 1, 2002, there shall be no proportionate reduction of the maximum period of participation in the DROP for delays beyond their DROP Retirement Date in electing to participate in the DROP.
- b. Members actively participating in the DROP on October 1, 2025, with a maximum DROP period of thirty-six (36) months from the Member's DROP Retirement Date, may elect to extend participation in the DROP by up to twenty-four (24) months, for a maximum DROP Period of sixty (60) months from the Member's DROP Retirement Date. A written election to extend DROP participation, on a form promulgated by the Board, and a revised irrevocable resignation and waiver form, as required under section 20-110(a.1)(2)c, reflecting the Member's new date of termination, must be filed by the Member with both the Board and the City's director of human resources by the earlier of (i) December 1, 2025, or (ii) sixty (60) days before the termination of the Member's original DROP Period. All other terms of the Plan in effect on the date a Member commenced DROP participation shall govern the DROP participation of any Member extending his or her DROP Period.
- (5) Each DROP Account shall accrue DROP Earnings during the DROP Period as follows:

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- a. For i) eligible Members who are not employed in a position that is within the supervisory/professional bargaining unit, ii) eligible Members who are included in the bargaining unit for general employees who filed an application to participate in the DROP prior to January 14, 2004, and iii) eligible Members who are employed in a position that is within the supervisory/professional bargaining unit who commence participation in the DROP prior to August 21, 2018, DROP Earnings shall be computed at simple interest at the actuarially assumed rate of return for the fund.
- b. For Members of the supervisory/professional bargaining unit who commence participation in the DROP on or after August 21, 2018, DROP Earnings shall be computed annually as follows:
 - 1. At a rate of three (3) percent if the net rate of investment return for the Plan year during which the Earnings are computed is less than three (3) percent.
 - 2. At a rate equal to the Plan's actual net rate of investment return if the rate of investment return for the Plan year during which the Earnings are computed is three (3) percent or greater, but no greater than six (6) percent, for the Plan year during which the Earnings are computed.
 - 3. At a rate of six (6) percent if the net rate of investment return for the Plan year during which the Earnings are computed is greater than six (6) percent.
- c. For Members of the general employees bargaining unit who commence participation in the DROP on or after February 6, 2024. DROP Earnings shall be computed annually as follows:
 - 1. At a rate of three (3) percent if the net rate of investment return for the Plan year during which the Earnings are computed is less than three (3) percent.
 - 2. At a rate equal to the Plan's actual net rate of investment return if the rate of investment return for the Plan year during which the Earnings are computed is three (3) percent or greater, but no greater than six (6) percent, for the Plan year during which the Earnings are computed.

3. At a rate of six (6) percent if the net rate of investment return for the Plan year during which the Earnings are computed is greater than six (6) percent.

At the end of the DROP Period, the DROP Account shall no longer accrue DROP Earnings. Cost of living adjustments pursuant to section 20-110(h) shall be applicable to monthly Retirement benefits during the DROP Period to the same extent the adjustments would be applicable to normal Retirement monthly benefits.

- (6) A DROP Participant is a retired Member under the Plan and shall accrue no further Continuous Service credits during the DROP Period. At the conclusion of the DROP Period a DROP Retirement is converted to a normal Retirement with monthly normal Retirement benefits being paid thereafter directly to the Member.
- (7) A DROP Participant on DROP Retirement shall not be eligible for either disability benefits or preretirement death benefits under sections 20-110(c)(1) or (2), but eligibility for death or disability benefits provided to a DROP Participant upon DROP Retirement under federal law, state law, City ordinance (other than as stated within this Plan), or any rights or benefits under any applicable collective bargaining agreement (other than as stated within this Plan) shall not be affected by a DROP Retirement.
- (8) No later than one (1) year after termination of employment with the City, the DROP Account, together with accrued DROP Earnings, shall be distributed in the following manner:
 - a. Lump sum distribution to the Member (which may be used at the Member's discretion to purchase an annuity); or
 - b. Roll over of the balance to another qualified Retirement Plan; or
 - c. Any combination of a. and b. above.
 - d. To the extent a Member fails to elect b., or c. above, the balance of the DROP Account will be distributed in accordance with a. above at the end of the one (1) year period after termination of employment with the City.
- (9) Upon the death of a DROP Participant during DROP Retirement, the DROP Retirement shall cease and the benefits payable thereafter shall be the normal

monthly Retirement benefits as modified by the duration and survivor benefits formula provided in section 20-110(a)(2). If a DROP Participant dies before the DROP Account balances are distributed in full, the Beneficiary or Beneficiaries duly designated by the DROP Participant on forms promulgated by the Board shall receive the DROP Account balances in accordance with the DROP Beneficiary Form in effect and on file with the Board at the time of the DROP Participant's death. If no designation of DROP Beneficiary form is on file with the Board upon the death of the Member with a DROP Account balance remaining, the DROP Account shall be paid to the Member's estate.

- (10) Notwithstanding the general severability provisions set forth below in this article, in the event there is a determination (i) by the Internal Revenue Service or a court of competent jurisdiction, that the DROP provision therein or similar DROP provisions contravene provisions of the Internal Revenue Code applicable to this qualified Plan or a qualified Plan; or (ii) by a court of competent jurisdiction or any federal or state agency with authority over such subject matter, that the DROP provisions respecting the irrevocable resignation and waiver process herein are contrary to law and not enforceable, then the Board shall be notified of such event(s) and the DROP provisions set forth above shall, upon the next regularly scheduled meeting of the Board, terminate in the manner set forth below and the DROP Participants shall be so notified.
- a. As of the date of termination of the DROP provisions, there shall be no new DROP Retirement established.
 - b. As of the date of termination of the DROP provisions, DROP Retirements shall cease and receipt of normal monthly Retirement benefits under section 20-110(a)(1) shall no longer be deferred and transferred into a DROP Account.
 - c. For those Members who were DROP Participants on the date of termination of the DROP provisions, normal monthly Retirement benefits shall be suspended until termination of employment with the City and such Members shall continue to accrue Credited Service during their continued employment.
 - d. For those Members who are DROP Participants and still in the employ of the City at the time of the termination of the DROP provision, the following provisions shall apply:

1. The normal monthly Retirement benefits and the Member's normal Retirement status shall be suspended until termination of employment with the City.
2. During the period that the normal Retirement benefits and normal Retirement status is suspended, the Member shall continue to make contributions to the Plan in accordance with the applicable provisions of section 20-112 and the Member shall continue to accrue Service during such period in accordance with the provisions otherwise applicable to the Member under section 20-110(a)(1).
3. The DROP Account shall be distributed upon termination of employment with the City.
4. As an alternative to subsection 3. above, a Member may elect to dissolve the DROP Account and, upon making payment to the Plan of contributions that the Member would have otherwise owed under section 20-112 had the Member not elected a DROP Retirement, the Member shall have Continuous Service credit restored for the period the Member was in DROP Retirement.

SECTION 3. That if any clause, section or other part of this Ordinance shall be held invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Ordinance shall not be affected thereby, but shall remain in full force and effect.

SECTION 4. At the direction of the City Attorney, the publisher of the Code of Ordinances of the City of Fort Lauderdale, Florida, is authorized to conform chapter, article, section, subsection, and clause numbers and letters, and capitalization, set forth in the Code of Ordinances of the City of Fort Lauderdale, Florida, and to correct any non-substantive scrivener's errors in the codification of this Ordinance without the need for a public hearing.

SECTION 5. That all ordinances or parts of ordinances in conflict herewith, be and the same are hereby repealed to the extent of such conflict.

SECTION 6. That this Ordinance shall be in full force and effect upon final passage.

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PASSED FIRST READING this _____ day of _____, 2025.

PASSED SECOND READING this _____ day of _____, 2025.

Mayor
DEAN J. TRANTALIS

ATTEST:

City Clerk
DAVID R. SOLOMAN

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Exhibit 1
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