

ORDINANCE NO. C-18-

AN ORDINANCE OF THE CITY OF FORT LAUDERDALE, FLORIDA, AMENDING THE CITY OF FORT LAUDERDALE GENERAL EMPLOYEES' RETIREMENT PLAN, TO WIT, SECTIONS 20-107, DEFINITIONS, 20-110, RETIREMENT BENEFITS, AND 20-111, OPTIONAL FORMS OF RETIREMENT BENEFITS, OF THE CODE OF ORDINANCES OF THE CITY OF FORT LAUDERDALE, FLORIDA, BY AMENDING THE DEFINITION OF "ACTUARIALLY EQUIVALENT," AMENDING THE DROP ACCOUNT EARNINGS RATE, CLARIFYING THE ELIGIBILITY FOR OPTIONAL FORMS OF BENEFIT OF ALL RETIREES, AND PROVIDING FOR THE DESIGNATION AND REPLACEMENT OF JOINT ANNUITANTS, AND PROVIDING FOR SEVERABILITY, REPEAL OF CONFLICTING ORDINANCE PROVISIONS, AND AN EFFECTIVE DATE.

WHEREAS, on August 18, 2015, the City Commission of the City of Fort Lauderdale adopted Resolution No. 15-164, which approved and ratified a Collective Bargaining Agreement between the City of Fort Lauderdale and Federation of Public Employees, a Division of the National Federation of Public and Private Employees, AFL-CIO, for the period August 19, 2015, through September 30, 2016, by which the parties agreed to certain amendments to the City's General Employees' Retirement Plan; and

WHEREAS, effective January 1, 2016, pursuant to Section 112.63, Florida Statutes, the actuarial reports of public retirement plans in Florida must use the mortality tables used in either of the two most recently published actuarial valuation reports of the Florida Retirement System; and

WHEREAS, implementation of the collectively bargained amendments to the General Employees' Retirement Plan and compliance with requirements of Florida law governing public pension plans serve a valid municipal purpose and are in the best interests of the City of Fort Lauderdale;

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

SECTION 1. That the definition of *Actuarially Equivalent*, contained in Section 20-107 of the Code of Ordinances of the City of Fort Lauderdale, Florida, is amended as follows:

Actuarially Equivalent means a benefit of equivalent value to the benefit which would otherwise have been provided, determined using the most recent mortality table used by the Plan ~~GAM '83 (with a blended rate of 65% male, 35% female)~~ and interest of eight (8) percent per annum before and after Retirement, and on the basis of other appropriate actuarial assumptions and methods used by the actuary.

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

Duration and survivor benefits. Except as is otherwise provided under section 20-110(a.1)(9), unless he elects an optional form of Retirement benefit under section 20-111, a Member retiring on or after his Normal Retirement Date shall receive a monthly Pension commencing on his Retirement date and continuing thereafter during his lifetime. Additionally, all Group I Members shall receive duration and survivor benefits as follows:

* * *

SECTION 3. That Subsection 20-110(a.1)(5) of the Code of Ordinances of the City of Fort Lauderdale, Florida, is amended to provide as follows:

Each DROP Account shall accrue DROP Earnings during the DROP Period. as follows:

- a. For i) eligible Members who are not employed in a position that is within the Supervisory/Professional Bargaining Unit, and ii) 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

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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 percent (3%) if the net rate of investment return for the Plan year during which the Earnings are computed is less than three percent (3%).
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 percent (3%) or greater, but no greater than six percent (6%), for the Plan year during which the Earnings are computed.
3. At a rate of six percent (6%) if the net rate of investment return for the Plan year during which the Earnings are computed is greater than six percent (6%)

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.

SECTION 4. That Section 20-111 of the Code of Ordinances of the City of Fort Lauderdale, Florida, is amended to provide as follows:

Each Member who is entitled to a normal, early or deferred retirement benefit ~~regular Normal Retirement Benefit~~ shall have the right at any time prior to commencement of benefit payments ~~his actual Retirement~~ to elect to have such benefit payable under any one of the options hereinafter set forth in lieu of the Retirement benefits otherwise provided herein, and to revoke any such elections and make a new election at any time prior to actual Retirement. The value of

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optional Retirement benefits shall be actuarially equivalent (as defined in section 20-107) to the value of benefits otherwise payable. The Member shall make an election by written request to the Board and such an election shall be subject to the approval of the Board.

* * *

- (4) The Member upon electing any option of this section must elect in writing a designated annuitant, and may change such designation at any time prior to commencement of benefits, but any such change shall be deemed a new election and is subject to approval by the Board of Trustees. Such designation must name a joint annuitant or one (1) or more primary Beneficiaries where applicable. A retired Member may change his designation of a joint annuitant up to two times with the approval of the Board so long as the Member provides proof that the most recent former designated annuitant is still living and in good health. In determining actuarial equivalence hereunder, if the Member is unable to provide evidence that the former designated annuitant is still living and in good health, the former designated joint annuitant shall be assumed to be deceased. The consent of a Member's joint annuitant or Beneficiary to any such change is not required. A requested change of designated annuitant is effective upon approval of the Board. If either the member or the joint annuitant dies before the effective date of the written request for change of joint annuitant, the requested change shall be void, and survivor benefits, if any, shall be paid as if no request had been made.
- (5) Upon receipt of a completed written request for change of designated annuitant, the Member's monthly benefit shall be adjusted to ensure that the benefit paid is the actuarial equivalent of the present value of the member's current benefit. In addition, all actuarial costs associated with a request for change of a designated annuitant or beneficiary shall be paid by the Member, such that there is no actuarial impact on the Plan resulting from such change.

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SECTION 5. 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 6. That all ordinances or parts of ordinances in conflict herewith, be and the same are hereby repealed.

SECTION 7. That this Ordinance shall be in full force and effect upon final passage.

PASSED FIRST READING this the _____ day of _____, 2018.

PASSED SECOND READING this the _____ day of _____, 2018.

Mayor
DEAN J. TRANTALIS

ATTEST:

City Clerk
JEFFREY A. MODARELLI

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