



**CITY OF FORT LAUDERDALE**  
**City Commission Agenda Memo**  
**REGULAR MEETING**

**#18-0727**

**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Lee R. Feldman, ICMA-CM, City Manager

**DATE:** August 21, 2018

**TITLE:** Ordinance Amending Chapter 20, Personnel, Article IV., Pensions, Division 3, Police and Firefighters Retirement System, of the Code of Ordinances of the City of Fort Lauderdale, Relating to the City of Fort Lauderdale Police and Firefighters' Retirement System to Implement Collective Bargaining Agreements

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**Recommendation**

It is recommended that the City Commission adopt the attached ordinance amending Chapter 20, Personnel, Article IV., Pensions, Division 3, Police and Firefighters Retirement System, of the Code of Ordinances of the City of Fort Lauderdale, by creating Sections 20-135.1, Firefighter Members and 20-135.2, Police Officer Members, to implement 2017 collective bargaining agreements for the Police and Firefighters' Retirement System ("Plan").

**Background**

On December 19, 2017, the City Commission adopted Resolution Nos. 17-291, 17-292, 17-293, and 17-294, which approved and ratified collective bargaining agreements between the City and Fort Lauderdale Fraternal Order of Police Lodge No. 31 Inc. and Fort Lauderdale Professional Firefighters, Inc. IAFF Local 765. The agreements relate to police officers and sergeants, police lieutenants and captains, firefighters, and battalion chiefs within the bargaining units and provide for certain amendments to the Plan. The Plan amendments will serve a valid municipal purpose and are in the best interests of the City. The terms of the agreements are from October 1, 2017, through September 30, 2020.

The proposed changes are:

- 1) Providing provisional language for Firefighters to purchase prior firefighter or military service at an amount equal to the full actuarial cost, as determined by the actuary for the retirement system.
- 2) Increasing the member contribution rate for all active members to 10% of pensionable earnings. This increase will be effective October 1, 2018 for Firefighters and October 1, 2017 for Police Officers.

- 3) Providing for a permissible DROP extension for members who are currently participating in the DROP with a DROP period of less than ninety-six (96) months. The applicable extension would be for an additional twelve (12) or twenty-four (24) months of DROP participation, such that the total DROP participation does not exceed ninety-six (96) months.
- 4) Tier 1 members (Member hired on or before April 10, 2010) participating in DROP shall contribute 1.75% of salary. This requirement will be effective October 1, 2018 for Firefighters and October 1, 2017 for Police Officers. It is our understanding that no DROP participants will receive a refund of contributions made while in DROP, regardless of length of participation.
- 5) Tier 2 members (Member hired after April 10, 2010) participating in DROP shall contribute 10% of salary for the first five (5) years of DROP participation, and 1.50% of salary for each year thereafter. It is our understanding that no DROP participants will receive a refund of contributions made while in DROP, regardless of length of participation.

The proposed ordinance, attached as Exhibit 1, provides the details of the Plan amendments and was approved by the City Commission at its July 10, 2018 meeting (CAM 18-0725).

In Section 610. Covenant Concerning Increase in or Addition to Pension Plan Benefits., of Resolution No. 12-1979, the City Commission committed to the following in connection with the issuance of Special Obligation Bonds, Series 2012 (Pension Funding Project):

The City shall not increase any benefit provided or provide a new benefit to members of either the GERS or the Police/Fire Pension Plan which is in addition to the benefits provided to such members as of October 1, 2012, unless (a) (i) the present value (as determined by the respective independent actuaries of the Pension Plans) of the cost of such increase in benefits or new benefit is fully funded at the time that such increase in benefits or new benefit is approved and (ii) such increase in benefits or new benefit is approved by vote of a majority of the full City Commission plus one or (b) such increase in benefits or new benefit is approved by the unanimous vote of the full City Commission.

Attached, as Exhibit 2, is the Plan's Actuarial Impact Statement regarding these amendments.

### **Resource Impact**

There is no fiscal impact to the City.

### **Strategic Connections**

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing its resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management.
- Initiative 3: Provide fiscally sustainable employee pensions

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are United*.

**Attachments**

Exhibit 1 – Proposed Ordinance

Exhibit 2 – Actuarial Impact Statement

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