St. Pete Beach Police Pension Board

155 Corey Avenue, St. Pete Beach, FL 33706

Agenda for the special meeting at 8:30 AM on Wednesday, December 4, 2013

1. Call To Order and Roll Call

2. Approval of October 17, 2013 Minutes (Attachment "A")

3. Public Comment

4. Authorization of payments

   - **Anchor Capital Management** Invoice October 1, 2013 in the amount of $2,201.02 (Attachment "B")
   - **Cutwater Asset Management** Invoice # 473-ISC-TRSA in the amount of $2,447.80 (Attachment "C")
   - **Christiansen & Dehner** Invoice # 23972 in the amount of $753.39 (Attachment "D")

5. Foster and Foster

   - Actuarial Valuation Report as of October 1, 2013

6. Correspondence and actions since the last meeting

   - City Of St. Pete Beach Ordinance 2013-34 amending Chapter 66, Pensions and Retirement, to comply with changes to the Internal Revenue Code and reflect mortality table and interest rate currently used by the plan's actuary; along with correspondence by the city and the actuary that relate to the ordinance's submission to the State Division of Retirement. (Attachment "E")

7. Old Business.

8. New Business or Discussion

Adjourn

VERBATIM RECORD:

PLEASE NOTE: IN ACCORDANCE WITH FLORIDA STATUTE 286.0105: ANY PERSON WHO DESIRES TO APPEAL ANY DECISION AT THIS MEETING WILL NEED A RECORD OF THE PROCEEDINGS AND FOR THIS PURPOSE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE WHICH INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS BASED.

(Continues on following page.)

St. Pete Beach Police Pension Board

155 Corey Avenue, St. Pete Beach, FL 33706

Agenda for the special meeting at 8:30 AM on Wednesday, December 4, 2013

ADA COMPLIANCE:

IN ACCORDANCE WITH FLORIDA STATUTE 286.26: PERSONS WITH DISABILITIES NEEDING ASSISTANCE TO PARTICIPATE IN ANY OF THESE PROCEEDINGS SHOULD CONTACT THE OFFICE OF THE CITY CLERK, **(PUT ADDRESS AND PHONE NUMBER)**, 48 HOURS IN ADVANCE OF THE MEETING.

POLICE PENSION BOARD

MINUTES

OCTOBER 17, 2013

8:30 A.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

Bob Rogers, Chairman
Tom Lange, Member
Keith Jacobus, Member

ABSENT:

Jerry Gorup, Member (excused)
James Baugher, Member (excused)

ALSO PRESENT:

Mary Jo Murphy, Recording Secretary
Tyler Grumbles, Bogdahn Consulting
Lynn A. Skinner, Salem Trust
Lee Dehner, Christensen & Dehner

1. Call to Order, Pledge of Allegiance and Roll Call

Member Lange added attachments A, L, M and N to the agenda.

3. Authorization of Payments

Member Lange explained the invoices to the Board and suggested paying all of the outstanding amounts that are due under item No. 3.

- **Cutwater** Asset **Management** Invoice# 425-ISC-TRSA in the amount of $2,485.69 (Attachment "B")
- **Anchor Capital Management** Invoice July 1, 2013 in the amount of $4,150.40 (Attachment "C")
- **Bogdan Group** Invoice # 9515 in the amount of $3,800 (Attachment "D")
- **Christiansen & Dehner** Invoice# 23560 in the amount of $1,831.01 (Attachment "E")

- **Foster & Foster** Invoice# 4333 in the amount of $7,204 and Invoice# 4892 in the amount of $7,213 (Both invoices included in Attachment "F")
- **Salem Trust** - Acknowledgement of deducted fee to be presented at this meeting.

Member Jacobus made a motion to pay the following outstanding bills: B, C, D, E, F, K, L & M. The motion was seconded by Member Lange and unanimously approved by a voice vote.

4. Foster & Foster

- Actuarial Valuation Report as of October 1, 2013, normally presented at this fourth quarter meeting, may be delayed awaiting data from the city and Salem Trust. This may require a special meeting or scheduling the presentation for the first quarter meeting of 2014.
- Patrick Foster's letter of July 17, 2013, explaining his opinion that premium tax dollars may now be used to offset the city's funding requirement is Attachment "G".

Member Lange informed the Board that the Actuarial Valuation Report was not completed.

Chairman Rogers stated that the entire amount of the state money's reserve will be used to fund the pension plan as long as it remains underfunded.

5. Investment Overview – Presentation by Bogdahn Group

Tyler Grumbles, Bogdahn Consulting, appeared for Tim Nash due to a scheduling conflict. Mr. Grumbles reviewed the Investment Performance Review of September 30, 2013 with the Board.

Mr. Grumbles advised the Board there were a couple of mutual funds that they could reduce the fees on. In reference to Vanguard Total Stock Market Fund, there could be a fee reduction to $300 annually and the Templeton Global Bond Fund would be a fee reduction to $500 annually. In total it is $879 and Mr. Grumbles advised the Board to make the change.

Member Lange made a motion to take the action of reducing the fees on Vangard Total Stock Market Fund and Templeton Global Bond Fund. The motion was seconded by Member Jacobus and unanimously approved by a voice vote.

Mr. Grumbles advised the Board that Salem Trust had recommended that the rebalancing procedure be changed to quarterly and to increase the cash that is on hand to make sure that money is available for distribution.

Member Jacobus made a motion to authorize Member Lange to sign the Letter of Authorization authorizing Lynn Skinner to balance the excess cash flow to the formula in the letter. The motion was seconded by Chairman Rogers and unanimously approved by a voice vote.

6. Legal Update

Mr. Dehner, attorney with Christensen & Dehner, advised the Board there was an amendment to the Sunshine Law that the Board is required to provide an opportunity to the public for public comment during meetings. Mr. Dehner suggested putting a new line item in the beginning of the agenda entitled Public Comment so the public will have an opportunity to make comments on any item the Board may take action on.

2. Approval of July 18, 2013 Minutes (Attachment "A")

Member Lange made a motion for the approval of the minutes for July 18, 2013. The motion was seconded by Member Jacobus and unanimously approved by a voice vote.

7. Correspondence and actions since the last meeting

- Memorandum from Bureau of Local Retirement Systems dated July 10, 2013, noting approval of the plan's 2012 Annual Report is Attachment "H"
- Letter and Memorandum accompanying 2012 Premium Tax Distribution of $80,851.14 (Attachment "I")
- Fiduciary Liability Insurance was renewed at the cost of $4,768.19 including waiver of recourse paid separately by the city. No attachment.
- COLA adjustments for nine eligible retirees for a total (aggregate) monthly increase of $1,121.77 was prepared by Foster and Foster, signed by Secretary Lange, and forwarded to Salem Trust with an effective date of October 1, 2013. No attachment.
- Secretary Lange signed authorizations for return of contributions to Dennis Curtain and Justin Dudley. No attachment.
- Secretary Lange signed authorizations for distribution of "Share" money to Brian Overton, Dennis Curtin, Lance Scudder and Justin Dudley. Four active members and two DROP members are still due funds. No attachment.

Member Lange asked for verification of the varying amounts in the letter and the memorandum. Lynn Skinner confirmed that the amount received was $80,851.14 and it was deposited on August 29th.

Member Lange mentioned to the Board that it is his intention to give all of the Police Pensions Board's correspondence to the City Clerk's office and have the City Clerk's office post the documents on the City website.

Member Jacobus made a motion to transfer the control of the Police Pension Board's records to the City Clerk's office. The motion was seconded by Chairman Rogers and unanimously approved by a voice vote.

8. Old Business

After Board discussion concerning the Actuary Report, Chairman Rogers will be speaking with Foster & Foster about discussing the Actuary Report in a special meeting on November 22, 2013 at 8:30 a.m.

There was Board discussion in reference to controlling expenses and the advantages of passive investments. Mr. Grumbles stated the reason for having a combination of passive and active management is that investments do better during different time periods. Chairman Rogers' conclusion was to continue with the present approach.

9. New Business or Discussion

Chairman Rogers asked for audience comments.

Member Jacobus mentioned moving forward with reviewing their outside vendors. Member Lange stated that he would place it on the agenda for the Special Meeting.

Ms. Skinner apologized that the statements had been delayed in going out and noted the fees were discounted for 6/30 and again for 9/30 because of the delay.

Mr. Dehner reviewed with the Board the memorandum with the proposed 2014 meeting dates. There was discussion amongst the Board about desiring a January meeting. Mr. Dehner replied that he would mention to the Fire Employees' Pension Board and the General Employees' Pension Board about moving the meetings to an earlier date in January.

Chairman Rogers asked for audience comments.

Casey T. Bovee, Merrill Lynch Financial Advisor, addressed the Board to ask for guidance in the process of being considered to become a vendor for the plan. Mr. Bovee stated that Merrill Lynch covers several financial needs dealing with investments and insurance. Chairman Rogers asked Mr. Bovee to send a letter to himself and Secretary Lange and stated it would be included on the agenda.

10. Adjourn

There being no further business to come before the Board, the meeting was adjourned at 3:40 p.m.

Attest:

____
Rebecca C. Haynes, City Clerk

____
Bob Rogers, Chairman

Minutes approved on: ________________

Anchor Capital Advisors LLC
One Post Office Square
Boston, MA 02109-2103
617-338-3800 FAX 617-426-6871
www.anchorcapital.com

October 01, 2013

Thomas Laneg
155 Corey Ave
3213 City of St. Pete Beach Police Officers' Retirement System
St. Pete Beach, FL 33706

Regarding Account: 3040069564

Anchor Capital Advisors LLC

STATEMENT OF MANAGEMENT FEES

For The Period 06-30-13 To 09-30-13		
Portfolio Valuation as of 09-30-13	$	1,173,877.24
1,173,877 @ 0.750% per annum		2,201.02
Management Fee	$	2,201.02
TOTAL DUE AND PAYABLE	**$**	**2,201.02**

[Attachment "B"]

CUTWATER ASSET MANAGEMENT

113 King Street
Armonk, NY 10504
914-765-3362
www.cutwater.com

October 25, 2013

INVOICE #
473-ISC-TRSA

Mr. Thomas Lange
Secretary, Police Pension Board
City of St. Pete Beach
155 Corey Avenue
St. Pete Beach, Florida 33706

Invoice for Investment Advisory Services for the City of St. Pete Beach Police Officers:

July 1, 2013 - September 30, 2013	$2,447.80
TOTAL AMOUNT DUE Terms: Due and payable upon receipt	$2,447.80

Fee computed as follows:

Entity (Fund)	Average Assets	% of Total
St. Pete Beach Firefighters	$3,028,381.39	30.3550%
St. Pete Beach General	$3,816,455.06	38.2543%
St. Pete Beach Police	$3,131,701.25	31.3907%
Aggregate average assets under management	$9,976,537.70	100.0000%

Fees based on aggregate assets at:	Average Assets	Quarterly Fee
Multiplied by quarterly fee of 1/4 of .35 of 1%	$5,000,000.00	$4,375.00
Multiplied by quarterly fee of 1/4 of .30 of 1%	$2,500,000.00	$1,875.00
Multiplied by quarterly fee of 1/4 of .25 of 1%	$2,476,537.70	$1,547.84
Multiplied by quarterly fee of 1/4 of .20 of 1%	$0.00	$0.00
Multiplied by quarterly fee of 1/4 of .15 of 1%	$0.00	$0.00
	$9,976,537.70	$7,797.84
Allocated Fees to St. Pete Police Officers		$2,447.80

Please reference the above invoice number when remitting a check or wiring funds to:

Cutwater Investor Services Corp.
General Post Office
P.O. Box 30824
New York, NY 10087-0824

JPMorgan Chase Bank, NA
ABA Transit # 021000021
Credit Account # 532-1-534140
FFC to Account Name & Invoice Number

[Attachment "C"]

Christiansen & Dehner, P. A.

63 Sarasota Center Boulevard
Suite 107
Sarasota, FL 34240-

941-377-2200
Phone

941-377-4848
Fax

October 31, 2013

City of St. Pete Beach Police
Officers' Pension Fund
155 Corey Avenue
St. Pete Beach, FL 33706
Thomas Lange

Invoice Number

In Reference To: Police Pension Fund	8926	23972

Professional Services

		Hours	Amount
10/17/2013	Preparation and attendance at Board Meeting.	1.70	620.50
	Travel Time	0.60	109.50
	For professional services rendered	2.30	$730.00

Additional Charges :

		Qty	
10/17/2013	Car Expense	1	15.26
	Food Expense	1	7.50
	Tolls	1	0.63
	Total additional charges		$23.39
	Total amount of this bill		$753.39
	Previous balance		$1,831.01
	Accounts receivable transactions		
10/28/2013	Payment - thank you. Check No. 3665		($1,831.01)
	Total payments and adjustments		($1,831.01)

[Attachment "D" P 1/2]

	Amount
Balance due	$753.39

** Please note that the "Balance Due" figure at the end of this bill reflects both "Total New Charges - Current Period" and any previous balances due. In most cases, if the previous balance(s) have already been approved for payment but not yet received in our office, you should be paying only the "Total New Charges - for services and/or expenses" . Thank you.

[Attachment "D" P 2/2]

Please indicate account number(s) with payment.
(Please Deduct any payments not reflected in Balance due)

CITY OF ST. PETE BEACH, FLORIDA
Ordinance No. 2013-24

AN ORDINANCE OF THE CITY OF ST. PETE BEACH, FLORIDA, AMENDING CHAPTER 66, PENSIONS AND RETIREMENT, ARTICLE III POLICE OFFICERS' RETIREMENT SYSTEM, DIVISION 1, GENERALLY AND DIVISION 3, BENEFITS, OF THE CODE OF ORDINANCES OF THE CITY OF ST. PETE BEACH; AMENDING SECTION 66-141 DEFINITIONS, BY AMENDING THE DEFINITIONS OF "ACTUARIAL EQUIVALENT" AND "CREDITED SERVICE"; SECTION 66-221, MAXIMUM PENSION; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH, TO THE EXTENT OF SUCH CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF ST. PETE BEACH, FLORIDA:

<u>SECTION 1</u>. That Chapter 66, Article III Police Officers' Retirement System, Division 1 Generally, of the Code of Ordinances of the City of St. Pete Beach, is hereby amended by amending Section 66-141 Definitions, by amending the definitions of *Actuarial Equivalent* and *Credited Service*, to read as follows:

* * *

Actuarial equivalent means a benefit or amount of equal value, based upon the ~~1983 Group Annuity~~ <u>RP 2000 Combined Healthy</u> Mortality Table and an interest rate of ~~eight and one-half~~ <u>seven and three quarters</u> percent per annum. This definition may only be amended by the city pursuant to the recommendation of the board using the assumptions adopted by the board with the advice of the plan's actuary, such that actuarial assumptions are not subject to city discretion.

* * *

Credited service means the total number of years and fractional parts of years of service as a police officer with member contributions, when required, omitting intervening years or fractional parts of years when such member was not employed by the city as a police officer. A member may voluntarily leave his accumulated contributions in the fund for a period of five years after leaving the employ of the police department pending the possibility of being reemployed as a police officer, without losing credit for the time that he was a member of the system. If a vested member leaves the employ of the police department, his accumulated contributions will be returned only upon his written request. If a member who is not vested is not reemployed as a police officer with the police department within five years, his accumulated contributions, if $1,000.00 or less, shall be returned. If a member who is not vested is not reemployed within five years, his accumulated contributions, if more than $1,000.00, will be returned only upon the written request of the member and upon completion of a written election to receive a cash lump sum or to rollover the lump sum amount on forms designated by the board. Upon return of a member's accumulated contributions, all of his rights and benefits under the system are forfeited and terminated. Upon any re-employment a police officer shall not receive credit for the years and fraction parts of years of service for which he has withdrawn his accumulated contributions from the fund, unless the police officer repays into the fund the contributions he has withdrawn, with interest, as determined by the board, within 90 days after his reemployment.

The years or fractional parts of years that a member performs "Qualified Military Service" consisting of voluntary or involuntary "service in the uniformed services" as defined in the Uniformed Services Employment and Reemployment Rights Act (USERRA) (P.L.103-353), after separation from employment as a police officer with the city to perform training or service, shall be added to his years of credited service for all purposes, including vesting, provided that:

(1) The Member is entitled to reemployment under the provisions of USERRA.

(2) The member returns to his employment as a police officer within one year from the earlier of the date of his military discharge or release from active service, unless otherwise required by USERRA.

(3) The maximum credit for military service pursuant to this paragraph shall be five years.

(4) This paragraph is intended to satisfy the minimum requirements of USERRA. To the extent that this paragraph does not meet the minimum standards of USERRA, as it may be amended from time to time, the minimum standards shall apply.

In the event a member dies on or after January 1, 2007, while performing USERRA Qualified Military Service, the beneficiaries of the member are entitled to any benefits (other than benefit accruals relating to the period of qualified military service) as if the member had resumed employment and then died while employed.

<u>Beginning January 1, 2009, to the extent required by section 414(u)(12) of the code, an individual receiving differential wage payments (as defined under section 3401(h)(2) of the code) from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under section 415(c) of the code. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.</u>

* * *

<u>SECTION 2</u>. That Chapter 66, Article III Police Officers' Retirement System, Division 3 Benefits, of the Code of Ordinances of the City of St. Pete Beach, is hereby amended by amending Section 66-221 Maximum Pension, to read as follows:

Sec. 66-221. Maximum pension.

(a) *Basic limitation.* Notwithstanding any other provisions of this system to the contrary, the member contributions paid to, and retirement benefits paid from, the system shall be limited to such extent as may be necessary to conform to the requirements of Code Section 415 for a qualified retirement plan. Before January 1, 1995, a plan member may not receive an annual benefit that exceeds the limits specified in Code Section 415(b), subject to the applicable adjustments in that section. On and after January 1, 1995, a plan member may not receive an annual benefit that exceeds the dollar amount specified in Code Section 415(b)(1)(A) ($160,000), subject to the applicable adjustments in Code Section 415(b) and subject to any additional limits that may be specified in this System. For purposes of this section, "limitation year" shall be the calendar year.

For purposes of Code Section 415(b), the "annual benefit" means a benefit payable annually in the form of a straight life annuity (with no ancillary benefits) without regard to the benefit attributable to after-tax employee contributions (except pursuant to Code Section 415(n) and to rollover contributions (as defined in Code Section 415(b)(2)(A)). The "benefit attributable" shall be determined in accordance with Treasury Regulations.

(b) *Adjustments to Basic Limitation for Form of Benefit.* ~~If the form of benefit without regard to any benefit increase feature is not a straight life annuity, then the Code Section 415(b) limit applicable at the annuity starting date is reduced to an actuarially equivalent amount (determined using the assumptions specified in Treasury Regulation Section 1.415(b)-1(c)(2)(ii)) that takes into account the death benefits under the form of benefit.~~ If the benefit under the plan is other than the annual benefit described in subsection (a), then the benefit shall be adjusted so that it is the equivalent of the annual benefit, using factors prescribed in Treasury Regulations. If the form of the benefit without regard to any automatic benefit increase feature is not a straight life annuity or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the Code Section 415(b) limit applicable at the annuity starting date or adjusting the form of benefit to an actuarially equivalent amount (determined using the assumptions specified in Treasury Regulation Section 1.415(b)-1(c)(2)(ii)) that takes into account the additional benefits under the form of benefit as follows:

(1) For a benefit paid in a form to which section 417(e)(3) of the code does not apply (generally, a monthly benefit), the actuarially equivalent straight life annuity benefit that is the greater of:

a. The annual amount of the straight life annuity (if any) payable to the member under the plan commencing at the same annuity starting date as the form of benefit to the member, or

b. The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the member, computed using a 5 percent interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables described in Treasury Regulation Section 1.417(e)-1(d)(2) (Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Rulings 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in section 417(e)(3)(B) of the code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing section 417(e)(3)(B) of the code); or

(2) For a benefit paid in a form to which section 417(e)(3) of the code applies (generally, a lump sum benefit), the actuarially equivalent straight life annuity benefit that is the greatest of:

a. The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in the plan for actuarial experience;

b. The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using a 5.5 percent interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in section 417(e)(3)(B) of the code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing section 417(e)(3)(B) of the code); or

c. The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable (computed using the applicable interest rate for the distribution under Treasury Regulation Section 1.417(e)-1(d)(3) (the 30-year Treasury rate (prior to January 1, 2007, using the rate in effect for the month prior to retirement, and on and after January 1, 2007, using the rate in effect for the first day of the plan year with a one-year stabilization period)) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in section 417(e)(3)(B) of the code (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing section 417(e)(3)(B) of the code), divided by 1.05.

(3) The actuary may adjust the 415(b) limit at the annuity starting date in accordance with subsections (1) and (2) above.

(c) *Benefits Not Taken into Account.* For purposes of this Section, the following benefits shall not be taken into account in applying these limits:

(1) Any ancillary benefit which is not directly related to retirement income benefits;

(2) Any other benefit not required under §415(b)(2) of the Code and Regulations thereunder to be taken into account for purposes of the limitation of Code Section 415(b)(1); and

(3) That portion of any joint and survivor annuity that constitutes a qualified joint and survivor annuity.

(d) *COLA Effect.* Effective on and after January 1, 2003, for purposes of applying the limits under Code Section 415(b) (the "Limit"), the following will apply:

(1) A member's applicable limit will be applied to the member's annual benefit in the member's first ~~calendar~~ limitation year of benefit payments without regard to any automatic cost of living adjustments;

(2) thereafter, in any subsequent ~~calendar~~ limitation year, a member's annual benefit, including any automatic cost of living increases, shall be tested under the then applicable benefit limit including any adjustment to the Code Section 415(b)(1)(A) dollar limit under Code Section 415(d), and the regulations thereunder; but

(3) in no event shall a member's benefit payable under the system in any ~~calendar~~ limitation year be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d) and the regulations thereunder.

Unless otherwise specified in the system, for purposes of applying the limits under Code Section 415(b), a Member's applicable limit will be applied taking into consideration cost of living increases as required by Section 415(b) of the Code and applicable Treasury Regulations.

(e) *Other Adjustments in Limitations.*

(1) In the event the member's retirement benefits become payable before age sixty-two (62), the limit prescribed by this section shall be reduced in accordance with regulations issued by the Secretary of the Treasury pursuant to the provisions of Code Section 415(b) of the Code, so that such limit (as so reduced) equals an annual straight life benefit (when such retirement income benefit begins) which is equivalent to a one hundred sixty thousand dollar ($160,000) annual benefit beginning at age sixty-two (62).

(2) In the event the member's benefit is based on at least fifteen (15) years of credited service as a full-time employee of the fire or police department of the City, the adjustments provided for in (e)(1) above shall not apply.

(3) The reductions provided for in (e)(1) above shall not be applicable to disability benefits pursuant to Sec. 66-218, or pre-retirement death benefits paid pursuant to Sec. 66-217.

(4) In the event the member's retirement benefit becomes payable after age sixty-five (65), for purposes of determining whether this benefit meets the limit set forth in subsection (a) herein, such benefit shall be adjusted so that it is actuarially equivalent to the benefit beginning at age sixty-five (65). This adjustment shall be made in accordance with regulations promulgated by the Secretary of the Treasury or his delegate.

(f) *Less than Ten (10) Years of Participation or Service.* The maximum retirement benefits payable under this section to any member who has completed less than ten (10) years of credited service with the City shall be the amount determined under subsection (a) of this section multiplied by a fraction, the numerator of which is the number of the member's years of credited service and the denominator of which is ten (10). The reduction provided by this subsection cannot reduce the maximum benefit below 10% of the limit determined without regard to this subsection. The reduction provided for in this subsection shall not be applicable to pre-retirement disability benefits paid pursuant to Sec. 66-218 or pre-retirement death benefits paid pursuant to Sec. 66-217.

(g) *Participation in Other Defined Benefit Plans.* The limit of this section with respect to any member who at any time has been a member in any other defined benefit plan as defined in Code Section 414(j) maintained by the City shall apply as if the total benefits payable under all City defined benefit plans in which the member has been a member were payable from one plan.

(h) *Ten Thousand Dollar ($10,000) Limit; Less Than Ten Years of Service.* Notwithstanding ~~the foregoing~~ anything in this section 66-221, the retirement benefit payable with respect to a member shall be deemed not to exceed the limit set forth in this subsection (h) of section 66-221 if the benefits payable, with respect to such member under this system and under all other qualified defined benefit pension plans to which the City contributes, do not exceed ten thousand dollars ($10,000) for the applicable ~~plan~~ limitation year and for any prior ~~plan~~ limitation year and the City has not any time maintained a qualified defined contribution plan in which the member participated; provided, however, that if the member has completed less than ten (10) years of credited service with the City, the limit under this subsection (h) of section 66-221 shall be a reduced limit equal to ten thousand dollars ($10,000) multiplied by a fraction, the numerator of which is the number of the member's years of credited service and the denominator of which is ten (10).

(i) *Reduction of Benefits.* Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the member's benefit under any defined benefit plans in which member participated, such reduction to be made first with respect to the plan in which member most recently accrued benefits and thereafter in such priority as shall be determined by the board and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures for defined contribution plans in which the member participated, such reduction to be made first with respect to the plan in which member most recently accrued benefits and thereafter in such priority as shall be established by the board and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the board and the plan administrator of all other plans covering such member.

(j) *Service Credit Purchase Limits.*

(1) Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, if a member makes one or more contributions to purchase permissive service credit under the system, as allowed in Secs. 66-227 and 66-228, then the requirements of this section will be treated as met only if:

a. the requirements of Code Section 415(b) are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of Code Section 415(b), or

b. the requirements of Code Section 415(c) are met, determined by treating all such contributions as annual additions for purposes of Code Section 415(c).

~~c.~~ For purposes of applying subparagraph (j)(1)a., the System will not fail to meet the reduced limit under Code Section 415(b)(2)(C) solely by reason of this subparagraph ~~c.~~, and for purposes of applying subparagraph (j)(1)b. the System will not fail to meet the percentage limitation under Section 415(c)(1)(B) of the Code solely by reason of this subparagraph ~~c~~.

(2) For purposes of this subsection the term "permissive service credit" means service credit—

a. recognized by the system for purposes of calculating a member's benefit under the plan,

b. which such member has not received under the plan, and

c. which such member may receive only by making a voluntary additional contribution, in an amount determined under the system, which does not exceed the amount necessary to fund the benefit attributable to such service credit.

Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, such term may, if otherwise provided by the system, include service credit for periods for which there is no performance of service, and, notwithstanding clause (j)(2)b., may include service credited in order to provide an increased benefit for service credit which a member is receiving under the system.

(k) *Contribution Limits.*

(~~3~~ 1) For purposes of applying the Code Section 415(c) limits ~~in this subsection (j).~~ which are incorporated by reference and for purposes of this subsection (k), only and for no other purpose, the definition of compensation where applicable will be compensation actually paid or made available during a ~~calendar~~ limitation year, except as noted below and as permitted by Treasury Regulations Section 1.415(c)-2, or successor regulations. Unless another definition of compensation that is permitted by Treasury Regulations Section 1.415(c)-2, or successor regulation, is specified by the system, compensation will be defined as wages within the meaning of Code Section 3401(a) and all other payments of compensation to an employee by an employer for which the employer is required to furnish the employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052 and will be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2).

a. However, for ~~calendar~~ limitation years beginning after December 31, 1997, compensation will also include amounts that would otherwise be included in compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). For ~~calendar~~ limitation years beginning after December 31, 2000, compensation will also include any elective amounts that are not includible in the gross income of the employee by reason of Code Section 132(f)(4).

b. For limitation years beginning on and after January 1, 2007, compensation for the ~~calendar~~ limitation year will also include compensation paid by the later of 2½ months after an employee's severance from employment or the end of the ~~calendar~~ limitation year that includes the date of the employee's severance from employment if:

1. the payment is regular compensation for services during the employee's regular working hours, or compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments, and, absent a severance from employment, the payments would have been paid to the employee while the employee continued in employment with the employer; or

2. the payment is for unused accrued bona fide sick, vacation or other leave that the employee would have been able to use if employment had continued.

c. Back pay, within the meaning of Treasury Regulations Section 1.415(c)-2(g)(8), shall be treated as compensation for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

(~~4~~ 2) Notwithstanding any other provision of law to the contrary, the board may modify a request by a member to make a contribution to the system if the amount of the contribution would exceed the limits provided in Code Section 415 by using the following methods:

a. If the law requires a lump sum payment for the purchase of service credit, the board may establish a periodic payment deduction plan for the member to avoid a contribution in excess of the limits under Code Sections 415(c) or 415(n).

b. If payment pursuant to subparagraph ~~(j)(4)a.~~ (k)(2)a. will not avoid a contribution in excess of the limits imposed by Code Section 415(c), the board may either reduce the member's contribution to an amount within the limits of that section or refuse the member's contribution.

(3) If the annual additions for any member for a limitation year exceed the limitation under section 415(c) of the code, the excess annual addition will be corrected as permitted under the Employee Plans Compliance Resolution System (or similar IRS correction program).

(4) For limitation years beginning on or after January 1, 2009, a member's compensation for purposes of this subsection (k) shall not exceed the annual limit under section 401(a)(17) of the code.

(~~k~~ l) *Additional Limitation on Pension Benefits.* Notwithstanding anything herein to the contrary:

(1) The normal retirement benefit or pension payable to a retiree who becomes a member of the system and who has not previously participated in such system, on or after January 1, 1980, shall not exceed one hundred percent (100%) of his average final compensation. However, nothing contained in this section shall apply to supplemental retirement benefits or to pension increases attributable to cost-of-living increases or adjustments.

(2) No member of the system shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter 67, Title 10, U.S. Code.

SECTION 3: Codification.

This Ordinance shall be codified in the Code of Ordinances of the City of St. Pete Beach.

SECTION 4: Severability.

If any portion, part or section of this ordinance is declared invalid, the valid remainder hereof shall remain in full force and effect.

SECTION 5: Repeal of Ordinances in Conflict.

All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 6: Effective Date.

This ordinance shall become effective immediately upon final passage as provided by law.

Steve McFarlin, Mayor

FIRST READING	: 9/18/2013
PUBLISHED	: 9/25/2013
SECOND READING	: 10/8/2013
PUBLIC HEARING	: 10/8/2013

I, Rebecca Haynes, City Clerk of the City of St. Pete Beach, Florida, do hereby certify that the foregoing Ordinance was duly adopted in accordance with the provisions of applicable law this 8th day of October, 2013.

Rebecca Haynes, City Clerk

ksh\spb\pol\07-11-13.ord

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FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

August 13, 2013

VIA EMAIL AND MAIL

Mr. Carl Carnes, Human Resources Administrator
City of St. Pete Beach
155 Corey Ave.
St. Pete Beach, FL 33706

Re: City of St. Pete Beach
Police Officers' Retirement System

Dear Carl:

In response to Lee Dehner's letter dated July 26, 2013, we have reviewed the proposed ordinance (identified on page 9 as ksh\spb\pol\07-11-13.ord) modifying the language to comply with changes in the Internal Revenue Code, and also providing for a change in the assumptions utilized for the definition of Actuarial Equivalence to match the current valuation assumptions for mortality and interest. While adoption of these assumptions may result in a de minimis impact (either positive or negative) over the life of the Plan, it is not currently measureable and therefore does not result in an immediate change to the Plan's funding requirements.

Because the changes do not result in a change in the valuation results, it is our opinion that a formal Actuarial Impact Statement is not required in support of its adoption. However, since the Division of Retirement must be aware of the current provisions of all public pension programs, it is recommended that you send a copy of this letter and a copy of the fully executed Ordinance to each of the following offices:

Mr. Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
P. O. Box 9000
Tallahassee, FL 32315-9000

Ms. Sarah Carr
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
P.O. Box 3010
Tallahassee, FL 32315-3010

If you have any questions, please let me know.

Sincerely,

Patrick T. Donlan, EA, ASA, MAAA
PTD/lke

cc: Lee Dehner, Board Attorney
cc: Bob Rogers, Board Chair

[Attachment "E" P 10/12]

City of St. Pete Beach
155 Corey Avenue
St. Pete Beach, Florida 33706-1839
727-367-2735
www.stpetebeach.org

October 9, 2013

Ms. Sarah Carr
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
P.O. Box 3010
Tallahassee, FL 32315-3010

Re: Amendments to the Police Officers' Retirement System

Dear Ms. Carr,

The City of St. Pete Beach has adopted an ordinance amending the Police Officers' Retirement Systems at the City of St. Pete Beach. The ordinance modifies the definition of Credited Service and Maximum Pension to comply with recent changes to the Internal Revenue Code relating to tax qualified pension plans such as our plans.

In addition to the above changes, the definition of Actuarial Equivalent was changed to reflect the mortality table and interest rate currently being used by the plan's actuary.

We are enclosing a letter from Foster & Foster indicating that an Actuarial Impact Statement (AIS) is not required and a copy of the proposed ordinance.

If you have any questions or if additional information is needed, please contact us at 727-363-9232.

Sincerely,

Michael P. Bonfield

Michael P. Bonfield
City Manager

enc.
cc: Bob Roger, Board Chair
Lee Dehner, Board Attorney
Patrick Donlan, Board Actuary

City of St. Pete Beach
155 Corey Avenue
St. Pete Beach, Florida 33706-1839
727-367-2735
www.stpetebeach.org

October 9, 2013

Mr. Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
Post Office Box 9000
Tallahassee, FL 32315-9000

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Sincerely,

Michael P. Bonfield

Michael P. Bonfield
City Manager

enc.
cc: ✓Bob Roger, Board Chair
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Patrick Donlan, Board Actuary