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COMMISSION MEETING CITY OF ST. PETE BEACH

155 Corey Avenue

Thursday, December 27, 2012

5:00 PM

Call to Order
Pledge of Allegiance
Invocation
Roll Call

SPECIAL MEETING

1. Ordinances

- a. Ordinance 2012-23, Final Reading, rescinds and repeals all prior ordinances or resolutions assessing or imposing the premium tax authorized by Section 175.101, Florida Statutes and withdrawing from participation under Chapter 175, Florida Statutes.**
- b. Ordinance 2012-24, Final Reading and Public Hearing, amending Chapter 66, Pensions and Retirement, Article IV, Firefighters Retirement System; implementing a benefit freeze; providing for modifications of certain benefits for future service; amending certain definitions; revising employee contributions; revising the vesting period; amending benefit amounts and eligibility; and amending the deferred retirement option plan.**
- c. Ordinance 2012-27, Final Reading and Public Hearing, amending Chapter 66, Pensions and Retirement,**

Article III, Police Officers' Retirement System; implementing a benefit freeze; providing for modifications of certain benefits for future service; amending certain definitions; revising employee contributions; revising the vesting period; amending benefit amounts and eligibility; amending the deferred retirement option plan; and providing for a share plan.

2. Adjournment

APPEAL

If a person decides to appeal any decision made at this meeting, they will need a record of the proceeding and, for such purpose, may need to ensure that a verbatim record of the meeting is made, which record includes the testimony and evidence upon which the appeal is to be based. (F.S. 286.0105) The City does not furnish verbatim transcripts; interested parties should make the necessary arrangements for verbatim transcripts.

AMERICAN DISABILITIES ACT

In Accordance with the American's with Disabilities Act and F.S. 286.26, persons with disabilities needing special accommodations to participate in this meeting should contact City Hall at (727) 367-2735 no later than (4) days prior to the meeting for assistance.

The public is cordially invited to attend. All agenda material is available for review at City Hall.

**St. Pete Beach City Commission
Agenda Report**

Issue Considered: Ordinance 2012-23, Final Reading, rescinds and repeals all prior ordinances or resolutions assessing or imposing the premium tax authorized by Section 175.101, Florida Statutes and withdrawing from participation under Chapter 175, Florida Statutes

Date: December 27, 2012

Prepared By: Michael P. Bonfield, City Manager MB

Summary of Issue: At the August 14th Impasse Hearing the City Commission approved an agreement which indicated the City would withdraw from Ch. 175 prior to adopting changes to the benefit structure of the Firefighter Pension Plan. According to the Florida Division of Retirement's interpretation of State law at that time, the changes being made to our plan would make us no longer eligible to receive the premium tax dollars that subjected us to the provisions of Ch. 175. It was our attorney's recommendation that the withdrawal take place prior to implementing the changes.

Subsequent to the Impasse Hearing, the Florida Division of Retirement has changed their position on the requirements for receiving premium tax dollars. While there is still no clear direction on this matter, there is a possibility that premium tax dollars (which are paid directly by our property owners on their property insurance) may be available to fund pension benefits in a much more flexible manner.

Requested Motion: "I move to approve Ordinance 2012-23 . . . read title"

Attachments: Ordinance 2012-23

ORDINANCE NO. 2012-23

AN ORDINANCE OF THE CITY OF ST. PETE BEACH, RESCINDING AND REPEALING ALL PRIOR ORDINANCES OR RESOLUTIONS ASSESSING OR IMPOSING THE PREMIUM TAX AUTHORIZED BY SECTION 175.101, FLORIDA STATUTES; WITHDRAWING FROM PARTICIPATION UNDER CHAPTER 175, FLORIDA STATUTES; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF ORDINANCES IN CONFLICT; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of St. Pete Beach, Florida has determined that it is in the best interest of the City, its residents and employees to withdraw from participation in the premium tax revenue sharing program established by Chapters 175, Florida Statutes; and

WHEREAS, sections 175.411, Florida Statutes permits the City to withdraw from participation in Chapters 175, Florida Statutes;

NOW THEREFORE BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF ST. PETE BEACH, FLORIDA AS FOLLOWS:

SECTION 1: Any and all previously adopted ordinances and resolutions imposing the premium tax authorized by sections 175.101, Florida Statutes, or otherwise providing for participation under Chapters 175, Florida Statutes, are hereby rescinded and repealed.

SECTION 2: Notwithstanding any provision of Code of Ordinances to the contrary, the City of St. Pete Beach hereby withdraws from participation under Chapters 175, Florida Statutes, pursuant to section 175.411, Florida Statutes.

SECTION 3: Severability.

If any provision of this Ordinance or the application thereof is held invalid such invalidity shall not affect the other provisions or applications of this Ordinance which can be given effect without the invalid provisions or applications and to this end the provisions of this Ordinance are hereby declared severable.

SECTION 4: Repeal of Ordinances in Conflict.

All other ordinances of the City or parts thereof which conflict with this or any part of this Ordinance are hereby repealed.

SECTION 5: Effective Date.

This Ordinance shall take effect on the date of passage upon second and final reading.

Steve McFarlin, Mayor

FIRST READING: _____
PUBLISHED _____
FINAL READING: _____
PUBLIC HEARING: _____

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 _____ day of _____, 2012.

Rebecca Haynes, City Clerk

**St. Pete Beach City Commission
Agenda Report**

Issue Considered: Ordinance 2012-24, amends Chapter 66, Pensions and Retirement, Article IV, Firefighters Retirement System; implementing a benefit freeze; providing for modifications of certain benefits for future service; amending certain definitions; revising employee contributions; revising the vesting period; amending benefit amounts and eligibility; and amending the deferred retirement option plan.

Date: December 27, 2012

Prepared By: Michael P. Bonfield, City Manager MB

Summary of Issue: This ordinance provides for the changes to the Firefighters' Retirement System the City Commission voted to implement at the August 14th Impasse Hearing. The one change since the first reading is the effective date will be 1/1/13.

At their September 27, 2012 meeting, the City Commission gave the City Manager until December 1 to make a recommendation for any changes to those approved at the impasse hearing. Prior to considering any changes we need to understand whether the proposed changes still qualify as a 175 plan under the new interpretations. The Division of Retirement nor the plan actuary have been able to answer this question. My recommendation is to implement the changes and if in the future the Division of Retirement determines these actions conflict with the requirements of 175 we can request an opportunity to correct at that time.

Requested Motion: "I move to approve Ordinance 2012-24 . . . read title"

Attachments: Ordinance 2012-24

ORDINANCE NO. 2012-24

AN ORDINANCE OF THE CITY OF ST. PETE BEACH,
AMENDING CHAPTER 66, PENSIONS AND
RETIREMENT, ARTICLE IV, FIREFIGHTERS
RETIREMENT SYSTEM; IMPLEMENTING A BENEFIT
FREEZE; PROVIDING FOR MODIFICATIONS OF
CERTAIN BENEFITS FOR FUTURE SERVICE;
AMENDING CERTAIN DEFINITIONS; REVISING
EMPLOYEE CONTRIBUTIONS; REVISING THE
VESTING PERIOD; AMENDING BENEFIT AMOUNTS
AND ELIGIBILITY; AMENDING THE DEFERRED
RETIREMENT OPTION PLAN; PROVIDING FOR
APPLICABILITY; PROVIDING FOR CODIFICATION;
PROVIDING FOR SEVERABILITY; PROVIDING FOR
REPEAL OF ORDINANCES IN CONFLICT; PROVIDING
AN EFFECTIVE DATE.

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

SECTION 1: Section 66-251 of Chapter 66, Article IV, of the City Code of the City of St. Pete Beach is hereby amended to read as follows:

Sec. 66-251. - Definitions.

(a) The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

* * *

Salary means for credited service prior to October 1, 2012 ~~for credited service prior to October 1, 2012~~ January 1, 2013 shall mean the total compensation for services rendered to the city as a firefighter reportable on the member's W-2 form, excluding single sum payments of accrued sick leave and vacation pay, plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions. Compensation in excess of the limitations set forth in Section 401(a)(17) of the Code as of the first day of the plan year shall be disregarded for any purpose, including employee contributions or any benefit calculations. The annual compensation of each member taken into account in determining benefits or employee contributions for any plan year beginning on or after January 1, 2002, may not exceed \$200,000.00, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). Compensation means compensation during the fiscal year. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. If the determination period consists of fewer than 12 months, the annual

compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12. If the compensation for any prior determination period is taken into account in determining a member's contributions or benefits for the current plan year, the compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period. The limitation on compensation for an "eligible employee" shall not be less than the amount which was allowed to be taken into account hereunder as in effect on July 1, 1993. "Eligible employee" is an individual who was a member before the first plan year beginning after December 31, 1995. Effective October 1, 2012 January 1, 2013 salary shall be defined in accordance with the provisions of section 66-339.

SECTION 2: A new Section 66-252, of Chapter 66, Article IV of the City Code of the City of St. Pete Beach is created to read as follows:

Sec. 66-252. – Benefit freeze and maximum benefit.

(a) Except as specifically provided in subsection (3) below, and Notwithstanding any other provision of the system, the accrued benefits of all active members shall be frozen on December 31 September 30, 2012, and such members shall thereafter accrue benefits in accordance with section 66-339. Such members shall be eligible to receive their frozen accrued benefit with no reduction upon termination of employment and attaining age 55 or upon completion of 25 years of credited service. Such members who attain age 50 with 10 years of credited service, or 20 years of credited service regardless of age, shall be eligible to receive their frozen accrued benefit reduced by 3% for each year prior to the member's earliest applicable normal retirement date.

(b) The benefits of members who are employed and not participating in the DROP on September 30 December 31, 2012 shall be payable in two parts:

(1) the frozen accrued benefit based credited service, average final compensation and the provisions of the system in effect on December 31 September 30, 2012; and

(2) the benefit based on credited service, average final compensation and the provisions of the system in effect on and after October 1, 2012 January 1, 2013.

(c) Effective October 1, 2012 January 1, 2013, the maximum combined benefit under the system shall be 75% of average final compensation. Provided, if a member's accrued benefit as of October 1, 2012 January 1, 2013 is 75% or more of average final compensation, the benefit percentage may not be reduced.

(d) Notwithstanding any other provision of the system, the benefits of members who have attained age 55 or 25 years of credited service as of September 30 December 31, 2012 shall not be frozen, and such members shall continue to accrue benefits in accordance with the provisions of the system in effect on September 30 December 31, 2012 for as long as they are employed in a position covered by the system.

SECTION 3: Section 66-254 of Chapter 66, Article IV, of the City Code of the City of St. Pete Beach is hereby amended to read as follows:

Sec. 66-254. - Contributions.

(a) *Member contributions.* Contributions to the system shall be subject to the following:

(1) *Amount.* Each member of the system who has attained age 55 or 25 years of credited service on ~~September 30~~December 31, 2012 shall be required to make regular contributions to the fund in the amount of 10.3 percent of his salary. Members who are employed on ~~September 30~~December 31, 2012 but have not attained age 55 or 25 years of credited service on that date, and members hired on or after ~~October 1, 2012~~January 1, 2013, shall be required to make contributions to the fund in accordance with section 66-339.

* * *

SECTION 4: Section 66-262 of Chapter 66, Article IV, of the City Code of the City of St. Pete Beach is hereby amended to read as follows:

Sec. 66-262. - Vesting.

* * *

(4) Notwithstanding any other provision of this section 66-262, the provisions of this section shall apply to benefits accruing prior to ~~October 1, 2012~~January 1, 2013. Effective ~~October 1, 2012~~January 1, 2013, for benefits accruing on and after that date, vesting rights shall be as provided in section 66-339; provided, members who are employed on ~~September 30~~December 31, 2012 and have attained age 55 or 25 years of credited service on that date shall be entitled to a vested benefit in accordance with this section 66-262.

SECTION 5: Section 66-326 of Chapter 66, Article IV, of the City Code of the City of St. Pete Beach is hereby amended to read as follows:

Sec. 66-326. - Benefit amounts and eligibility.

(a) *Normal retirement date.* ~~A member's~~ The normal retirement date for members who retired, entered the DROP or terminated employment with the right to a deferred vested benefit prior to ~~October 1, 2012~~January 1, 2013; and members who are employed on ~~September 30~~December 31,

2012 and have attained age 55 or 25 years of credited service on that date shall be the first day of the month coincident with or next following the earlier of the attainment of age 55, regardless of years of credited service or the completion of 25 years of credited service, regardless of age. A member may retire on his normal retirement date or on the first day of any month thereafter, and each member shall become 100 percent vested in his accrued benefit on the member's normal retirement date. Normal retirement under the system is retirement from employment with the city on or after the normal retirement date. The normal retirement date for members who are employed on ~~September 30~~December 31, 2012 but have not attained age 55 or 25 years of credited service on that date, and members hired on or after ~~October 1, 2012~~January 1, 2013, shall be as provided in section 66-339; provided, members who are employed on ~~September 30~~December 31, 2012 but have not attained age 55 or 25 years of credited service on that date shall be eligible to receive their frozen accrued benefit through ~~September 30~~December 31, 2012 upon attaining age 55 or 25 years of credited service, and terminating city employment.

(b) *Normal retirement benefit.* A member retiring hereunder on or after his normal retirement date shall receive a monthly benefit which shall commence on the first day of the month coincident with or next following his retirement and which shall be continued thereafter during the member's lifetime, ceasing upon death, but with 120 monthly payments guaranteed in any event. The monthly retirement benefit for credited service earned prior to ~~October 1, 2012~~January 1, 2013 shall equal 3.4 percent of average final compensation, for each year of credited service. The normal retirement benefit for credited service on and after ~~October 1, 2012~~January 1, 2013 shall be as provided in section 66-339. Notwithstanding any other provision of this subsection, the normal retirement benefit of a member who is employed on ~~September 30~~December 31, 2012 and has attained age 55 or 25 years of credited service on that date shall equal 3.4 percent of average final compensation for all years of credited service.

(c) *Early retirement date.* A member may retire on his early retirement date which shall be the first day of any month coincident with or next following the attainment of age 50 and the completion of ten years of credited service or the completion of 20 years of credited service regardless of age. Early retirement under the plan is retirement from employment with the city on or after the early retirement date and prior to the normal retirement date. Effective ~~October 1, 2012~~January 1, 2013, there shall be no early retirement date or early retirement benefit; provided, members who are employed on ~~September 30~~December 31, 2012 but have not attained age 55 or 25 years of credited service on that date shall be eligible to receive their frozen accrued benefit through ~~September 30~~December 31, 2012 with the 3% reduction provided in subsection (d)(2) below, upon attaining age 50 with 10 years of credited service or 20 years of credited service regardless of age, and terminating city employment.

(d) *Early retirement benefit.* A member retiring hereunder on his early date may receive either a deferred or an immediate monthly retirement benefit payable for life as follows:

- (1) A deferred monthly retirement benefit which shall commence on what would have been his normal retirement date had he remained a firefighter and shall be continued on the first day of each month thereafter. The amount of each such deferred monthly retirement benefit shall be determined in the same manner as for retirement as his normal retirement date except that credited service and average final compensation shall be determined as of his early retirement date; or

(2) An immediate monthly retirement benefit which shall commence on his early retirement date and shall be continued on the first day of each month thereafter. The benefit payable shall be as determined in subsection (d)(1) of this section, reduced by three percent for each year by which the commencement of benefits precedes the date which would have been the member's normal retirement date had he continued employment as a firefighter.

(e) *Cost-of-living adjustment.* The monthly amount payable based on credited service prior to ~~October 1, 2012~~ January 1, 2013 to any retiree, including current retirees, and his joint pensioner or beneficiary, if applicable, who retires on or after such member's normal or early retirement date, not including terminated vested persons or disability retirees, shall be subject to an annual cost-of-living adjustment commencing on the first October 1 following seven complete years of receiving retirement income payments. The cost-of-living adjustment shall be three percent of the previous years' benefit amount. There shall be no cost of living adjustment applied to benefits based on credited service on or after ~~October 1, 2012~~ January 1, 2013; provided, members who are employed on ~~September 30~~ December 31, 2012 and have attained age 55 or 25 years of credited service on that date shall continue to be eligible for the cost of living adjustment provided in this subsection applied to benefits based on all periods of credited service.

(f) *Required distribution date.* The member's benefit under this section must begin to be distributed to the member no later than April 1 of the calendar year following the later of the calendar year in which the member attains age 70½ or the calendar year in which the member terminates employment with the city.

SECTION 6: Section 66-262 of Chapter 66, Article IV, of the City Code of the City of St. Pete Beach is hereby amended to read as follows:

Sec. 66-335. - Deferred retirement option plan.

(a) *Definitions.* As used in this section 66-335, the following definitions apply:

(1) *DROP* means the City of St. Pete Beach Firefighters' Deferred Retirement Option Plan.

(2) *DROP account* means the account established for each DROP participant under subsection (c).

(b) *Participation.*

(1) *Eligibility to participate.* In lieu of terminating his employment as a firefighter, any member who is eligible for normal retirement under subsection 66-326(a), of the system may, prior to ~~October 1, 2012~~ January 1, 2013, elect to defer receipt of such service retirement pension and to participate in the DROP. Notwithstanding any other provision of this section, the DROP shall be closed to new participants effective ~~October 1, 2012~~ January 1, 2013, and no member may enter the DROP on or after that date; provided, a member who is employed on ~~September 30~~ December 31, 2012 and has attained age 55 or 25 years of credited service on that date may enter and participate in the DROP on or after ~~October 1, 2012~~ January 1, 2013 in accordance with the provisions of this section.

* * *

SECTION 7: A new Section 66-339 of Chapter 66, Article IV of the City Code of the City of St. Pete Beach is created to read as follows:

Sec. 66-339. Benefits Effective ~~October 1, 2012~~ January 1, 2013.

(a) Effective ~~October 1, 2012~~ January 1, 2013 all members employed on that date who have not attained age 55 or 25 years of credited service, and all members hired on or after that date, shall accrue benefits as provided in this section 66-339. The provision of this section shall not apply to members who have retired, separated from service with the City with the right to a deferred vested benefit, entered DROP or attained normal retirement eligibility prior to ~~October 1, 2012~~ January 1, 2013.

(b) Benefit Amounts and Eligibility:

(1) *Normal retirement date.* A member's normal retirement date shall be the first day of the month coincident with or next following the earlier of the attainment of age 60 and completion of 10 years of credited service, or 30 years of credited service regardless of age. Provided, a member with 10 or more years of credited service on ~~September 30~~ December 31, 2012 shall be eligible for normal retirement at age 55 or upon completion of 25 years of credited service, regardless of age. A member may retire on his normal retirement date or on the first day of any month thereafter, and each member shall become 100 percent vested in his accrued benefit on the member's normal retirement date. Normal retirement under the system is retirement from employment with the city on or after the normal retirement date.

(2) *Normal retirement benefit.* A member retiring on or after the normal retirement date shall receive a monthly benefit which shall commence on the first day of the month coincident with or next following his retirement and which shall be continued thereafter during the member's lifetime, ceasing upon death, but with 120 monthly payments guaranteed in any event. The monthly retirement benefit shall equal 1.25 percent of average final compensation for each year of credited service earned on or after ~~October 1, 2012~~ January 1, 2013, up to a maximum of 75% of average final compensation. Provided, if a member's accrued benefit as of ~~October 1, 2012~~ January 1, 2013 is 75% or more of average final compensation, the benefit percentage may not be reduced.

(3) *No Early retirement.* A member may not receive an immediate or deferred retirement benefit under this section, prior to attaining his or her normal retirement date as defined in this section.

(c) COLA. Members accruing benefits under this section shall not be entitled to a cost of living adjustment.

(d) Vesting. If a member terminates employment, either voluntarily or by lawful discharge, the member shall be entitled to the following:

(1) With less than 10 years of credited service (including credited service earned prior to October 1, 2012January 1, 2013), a member is entitled to a refund of member contributions without interest.

(2) With 10 or more years of credited service (including credited service earned prior to October 1, 2012January 1, 2013) a member is entitled to either:

a. The pension benefit accrued to the member's date of termination, based on the terms of the plan in effect on such date of termination, payable commencing at the member's otherwise normal retirement date, provided the member does not elect to withdraw his or her member contributions; or

b. Refund of member contributions without interest.

(e) *Employee contribution.* Effective October 1, 2012January 1, 2013 each member of the system shall be required to make regular contributions to the fund in the amount of 3 percent of salary; provided, members who are employed on September 30December 31, 2012 and have attained age 55 or 25 years of credited service on that date shall be required to make regular contributions to the fund in the amount of 10.3 percent of salary.

(f) *DROP.* No member may enter the DROP on or after October 1, 2012January 1, 2013. Members already participating in DROP on October 1, 2012January 1, 2013 may complete their DROP participation. Provided, members who are employed on September 30December 31, 2012 and have attained age 55 or 25 years of credited service on that date shall be eligible to enter and participate in the DROP on or after October 1, 2012January 1, 2013.

SECTION 8: Codification

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

SECTION 98: Severability.

If any provision of this Ordinance or the application thereof is held invalid such invalidity shall not affect the other provisions or applications of this Ordinance which can be given effect without the invalid provisions or applications and to this end the provisions of this Ordinance are hereby declared severable.

SECTION 109: Repeal of Ordinances in Conflict.

All other ordinances of the City of St. Pete Beach Florida or parts thereof which conflict with this or any part of this Ordinance are hereby repealed.

SECTION 1140: Effective Date.

This Ordinance shall take effect on the date of passage upon second and final reading, except as otherwise specifically provided..

Steve McFarlin, Mayor

FIRST READING: _____

PUBLISHED _____

FINAL READING: _____

PUBLIC HEARING: _____

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 _____ day of _____, 2012.

Rebecca Haynes, City Clerk

**St. Pete Beach City Commission
Agenda Report**

Issue Considered: Ordinance 2012-27, Final Reading, amends Chapter 66, Pensions and Retirement, Article III, Police Officers' Retirement System; implementing a benefit freeze; providing for modifications of certain benefits for future service; amending certain definitions; revising employee contributions; revising the vesting period; amending benefit amounts and eligibility; amending the deferred retirement option plan; and providing for a share plan.

Date: December 27, 2012

Prepared By: Michael P. Bonfield, City Manager MB

Summary of Issue: This ordinance provides for the changes to the Police Officers' Retirement System the City Commission voted to implement at the August 14th Impasse Hearing and for a share plan that has been agreed to by the FOP.

Requested Motion: "I move to approve Ordinance 2012-27 . . . read title"

Attachments: Ordinance 2012-27

ORDINANCE NO. 2012-27

AN ORDINANCE OF THE CITY OF ST. PETE BEACH, AMENDING CHAPTER 66, PENSIONS AND RETIREMENT, ARTICLE III, POLICE OFFICERS' RETIREMENT SYSTEM; IMPLEMENTING A BENEFIT FREEZE; PROVIDING FOR MODIFICATIONS OF CERTAIN BENEFITS FOR FUTURE SERVICE; AMENDING CERTAIN DEFINITIONS; REVISING EMPLOYEE CONTRIBUTIONS; REVISING THE VESTING PERIOD; AMENDING BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING THE DEFERRED RETIREMENT OPTION PLAN; PROVIDING FOR A SHARE PLAN; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF ORDINANCES IN CONFLICT; PROVIDING AN EFFECTIVE DATE.

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

SECTION 1: Section 66-141 of Chapter 66, Article III, of the City Code of the City of St. Pete Beach is hereby amended to read as follows:

Sec. 66-141. - Definitions.

(a) The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

* * *

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. Credited service shall include periods of employment by the Pinellas County Sheriff's Office pursuant to an interlocal agreement between the City of St. Pete Beach and the Pinellas County Sheriff's Office, by police officers who elect to continue participating in this system. 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.

* * *

Salary means for credited service prior to January 31, 2013 shall mean the total compensation for services rendered to the city as a police officer reportable on the member's W-2 form plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions. Compensation in excess of the limitations set forth in Section 401(a)(17) of the Code as of the first day of the plan year shall be disregarded for any purpose, including employee contributions or any benefit calculations. The annual compensation of each member taken into account in determining benefits or employee contributions for any plan year beginning on or after January 1, 2002, may not exceed \$200,000.00, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). Compensation means compensation during the fiscal year. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. If the determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12. If the compensation for any prior determination period is taken into account in determining a member's contributions or benefits for the current plan year, the compensation for such prior determination period is subject to the

applicable annual compensation limit in effect for that prior period. The limitation on compensation for an "eligible employee" shall not be less than the amount which was allowed to be taken into account under this article as in effect July 1, 1993. Effective February 1, 2013 salary shall be defined in accordance with the provisions of section 66-229.

* * *

SECTION 2: Section 6-143 of Chapter 66, Article III of the City Code of the City of St. Pete Beach is hereby amended to read as follows:

Sec. 66-143. – Benefit freeze; maximum benefit; refund of contributions.

Notwithstanding any other provision of the system:

- (a) The accrued benefits of all active members shall be frozen on January 31, 2013, and such members shall thereafter accrue benefits in accordance with section 66-229. Such members shall be eligible to receive their frozen accrued benefit with no reduction upon attaining age 55 or upon completion of 25 years of credited service. Such members who attain age 50 with 10 years of credited service, or 20 years of credited service regardless of age, shall be eligible to receive their frozen accrued benefit reduced by 3% for each year that retirement precedes the member's earliest applicable normal retirement date.
- (b) The benefits of members who are employed and not participating in the DROP on January 31, 2013 shall be payable in two parts:
 - a. the frozen accrued benefit based on the vested percentage, credited service, average final compensation and other provisions of the system in effect on January 31, 2013; and
 - b. the benefit based on credited service, average final compensation and the provisions of the system in effect on and after February 1, 2013.
- (c) Effective February 1, 2013, the maximum combined benefit under the system shall be 75% of average final compensation. Provided, if a member's accrued benefit as of February 1, 2013 is 75% or more of average final compensation, the benefit percentage may not be reduced.
- (d) The benefits of members who have attained age 55 or 25 years of credited service as of January 31, 2013 shall not be frozen, and such members shall continue to accrue benefits in accordance with the provisions of the system in effect on January 31, 2013 for as long as they are employed in a position covered by the system.
- (e) Any member employed as a police officer on October 1, 2012, may elect to receive a refund of accumulated member contributions, without interest, in lieu of any benefit from the system. A member who receives a refund of accumulated contributions shall not thereafter be eligible for any benefit from the system.

SECTION 3: Section 66-144 of Chapter 66, Article III, of the City Code of the City of St. Pete Beach is hereby amended to read as follows:

Sec. 66-144. - Membership.

- (a) *Conditions of eligibility.* All police officers as of June 18, 1991 and all future new police officers shall become members of this system under this article as a condition of employment, except that if the chief of police has entered into an agreement with the city wherein he shall be permitted to participate in a pension plan other than the one provided in this article, he shall be entitled to waive participation in this plan. In order to waive such participation, the chief of police shall notify the city manager and the board of trustees, in writing, of his decision to waive such participation. The waiver shall be kept by the city clerk with a duplicate original copy maintained in the personnel file of the chief of police.
- (b) *Designation of beneficiary.* Each police officer shall complete a form prescribed by the board designating a beneficiary or beneficiaries.
- (c) *Police officers employed by Pinellas County Sheriff's Office.* Police officers who are employed by the Pinellas County Sheriff's Office pursuant to an interlocal agreement between the City of St. Pete Beach and the Pinellas County Sheriff's Office, who elect to continue participating in this system, shall remain members of this system for as long as they are employed in a position covered by the system, until retirement.

SECTION 4: Section 66-146 of Chapter 66, Article III, of the City Code of the City of St. Pete Beach is hereby amended to read as follows:

Sec. 66-146. - Contributions.

(a) *Member contributions.* Under this article, contributions of members shall be made as follows:

- (1) *Amount.* Each member of the system shall be required to make regular contributions to the fund in the amount of 8.3 percent of his salary through January 31, 2013. Effective February 1, 2012, each member of the system who has not attained age 55 or 25 years of credited service on that date, and members hired on or after February 1, 2013, shall be required to make contributions to the fund in accordance with section 66-229. Member contributions withheld by the city on behalf of the member shall be deposited with the board immediately after each pay period. The contributions made by each member to the fund shall be designated as employer contributions pursuant to Section 414(h) of the Code. Such designation is contingent upon the contributions being excluded from the member's gross income for federal income tax purposes. For all other purposes of the system, such contributions shall be considered to be member contributions.

* * *

SECTION 5: Section 66-149 of Chapter 66, Article III, of the City Code of the City of St. Pete Beach is hereby amended to read as follows:

Sec. 66-149. - Vesting.

* * *

(4) Notwithstanding any other provision of this section 66-149, the provisions of this section shall apply to benefits accruing prior to February 1, 2013. Effective February 1, 2013, for benefits accruing on and after that date, vesting rights shall be as provided in section 66-229; provided, members who are employed on January 31, 2013 and have attained age 55 or 25 years of credited service on that date shall have vesting rights as provided in this section 66-149.

SECTION 6: Section 66-216 of Chapter 66, Article III, of the City Code of the City of St. Pete Beach is hereby amended to read as follows:

Sec. 66-216. - Benefit amounts and eligibility.

(a) *Normal retirement date.* Under this article, ~~a member's~~ the normal retirement date for members who retired, entered the DROP or terminated employment with the right to a deferred vested benefit prior to February 1, 2013, and members who are employed on January 31, 2013 and have attained age 55 or 25 years of credited service on that date, shall be the first day of the month coincident with or the next following the earlier of the attainment of age 55 or the completion of 25 years of credited service. A member may retire on his normal retirement date or on the first day of any month thereafter, and each member shall become 100 percent vested in his accrued benefit on the member's normal retirement date. ~~Normal retirement under the system is retirement from employment with the city on or after the normal retirement date.~~ The normal retirement date for members who are employed on January 31, 2013 but have not attained age 55 or 25 years of credited service on that date, and members hired on or after February 1, 2013, shall be as provided in section 66-229; provided, members who are employed on January 31, 2013 but have not attained age 55 or 25 years of credited service on that date shall be eligible to receive their frozen accrued benefit based on credited service prior to January 31, 2013, upon attaining age 55 or 25 years of credited service, or a reduced early retirement benefit based on their frozen accrued benefit upon attaining age 50 with 10 years of credited service or 20 years of credited service.

(b) *Normal retirement benefit.* A member retiring under this article on or after his normal retirement date shall receive a monthly benefit which shall commence on the first day of the month next following his retirement and shall be continued thereafter during member's lifetime, ceasing upon death, but with 120 monthly payments guaranteed in any event. The monthly retirement benefit shall be as follows:

- (1) If a member was hired by the city as a police officer prior to October 1, 1981, the monthly retirement benefit shall be equal to three and two-tenths percent of average final

compensation for each year of credited service prior to October 1, 1981, plus four percent of average final compensation for each year of credited service subsequent to October 1, 1981, provided that the maximum monthly retirement benefit shall not exceed 90 percent of average final compensation or the minimum monthly benefit required by F.S. ch. 185, whichever is greater.

(2) If a member was hired by the city as a police officer on or after October 1, 1981, the monthly retirement benefit for credited service earned prior to October 1, 2012 shall be equal to three and two-tenths percent of average final compensation for each year of credited service, provided that the maximum monthly retirement benefit shall not exceed 90 percent of average final compensation or the minimum monthly benefit required by F.S. ch. 185, whichever is greater. The normal retirement benefit for credited service on and after February 1, 2013 shall be as provided in section 66-229. Notwithstanding any other provision of this subsection, the normal retirement benefit of a member who is employed on January 31, 2013 and has attained age 55 or 25 years of credited service on that date shall equal three and two-tenths percent of average final compensation for each year of credited service.

(c) *Early retirement date.* A member may retire on his early retirement date, which shall be the first day of any month coincident with or next following the earlier of the attainment of age 50 and the completion of ten years of credited service or the completion of 20 years of credited service regardless of age. Early retirement under the system is retirement ~~from employment with the city~~ on or after the early retirement date and prior to the normal retirement date. Effective February 1, 2013, there shall be no early retirement date or early retirement benefit; provided, members who are employed on January 31, 2013, but have not attained age 55 or 25 years of credited service on that date, shall be eligible to receive their frozen accrued benefit through January 31, 2013 with a three percent reduction as provided in subsection (d)(2) below, upon attaining age 50 with 10 years of credited service or 20 years of credited service regardless of age.

(d) *Early retirement benefit.* A member retiring under this article on his early retirement date may receive a deferred or an immediate monthly retirement benefit payable for life as follows:

(1) A deferred monthly retirement benefit which shall commence on what would have been his normal retirement date had he remained a police officer and shall be continued on the first day of each month thereafter. The amount of each such deferred monthly retirement benefit shall be determined in the same manner as for retirement as his normal retirement date, except that credited service and average final compensation shall be determined as of his early retirement date; or

(2) An immediate monthly retirement benefit which shall commence on his early retirement date and shall be continued on the first day of each month thereafter. The benefit payable shall be as determined in subsection (d)(1) of this section, reduced by 1/15 for each of the first five years and 1/30 for each of the next five years by which the commencement of benefits precedes the member's normal retirement date three percent for each year by which the commencement of benefits precedes the date which would have been the member's normal retirement date had he continued employment as a police officer.

(e) *Cost-of-living adjustment.* Beginning October 1 following the date which is ten years from February 1, 1994 or ten years from the date which was a member's actual normal retirement, or which would have been a member's normal retirement date, whichever is later, and on each October 1 thereafter, all retirees receiving a normal, early or disability benefit, who retired prior to March 14, 2006, and beneficiaries receiving benefits by virtue of a deceased retired member, but not including terminated vested members and the beneficiaries of terminated vested members, shall have their benefits increased by three percent. This cost-of-living adjustment shall apply to all described retirees and beneficiaries, regardless of whether they retired before or after February 1, 1994, but prior to March 14, 2006.

(f) *Cost-of-living adjustment.* Beginning October 1 following the date which is seven years from the date which is a member's actual normal retirement or which would have been a member's normal retirement date, and on each October 1 thereafter, all retirees receiving a normal, early or disability benefit who retire on or after March 14, 2006, and beneficiaries receiving benefits by virtue of a deceased retired member, but not including terminated vested members and the beneficiaries of terminated vested members, shall have their benefits increased by three percent for all credited service earned prior to February 1, 2013. This reduction in the cost of living adjustment deferral period from ten years to seven years shall be funded from the annual state monies received by the plan in excess of \$37,731.99. The maximum additional state monies that can be used in each year for this benefit, enhancement is \$23,162.00. There shall be no cost of living adjustment applied to benefits based on credited service on or after February 1, 2013; provided, members who are employed on January 31, 2013 and have attained age 55 or 25 years of credited service on that date shall continue to be eligible for the cost of living adjustment provided in this subsection applied to benefits based on all periods of credited service.

(g) *Required distribution date.* The member's benefit under this section must begin to be distributed to the member no later than April 1 of the calendar year following the later of the calendar year in which the member attains age 70½ or the calendar year in which the member terminates employment with the city.

SECTION 7: Section 66-225 of Chapter 66, Article III, of the City Code of the City of St. Pete Beach is hereby amended to read as follows:

Sec. 66-225. - Deferred retirement option plan.

(a) *Definitions.* As used in this section 66-225, the following definitions apply:

- (1) "*DROP*" means the City of St. Pete Beach Police Officers' Deferred Retirement Option Plan.
- (2) "*DROP account*" means the account established for each DROP participant under subsection (c).

(b) *Participation.*

- (1) *Eligibility to participate.* In lieu of terminating his employment as a police officer, any member who is eligible for normal retirement under subsection 66-216(a), of the system

may, prior to February 1, 2013 elect to defer receipt of such service retirement pension and to participate in the DROP. Notwithstanding any other provision of this section, the DROP shall be closed to new participants effective February 1, 2013, and no member may enter the DROP on or after that date; provided, a member who is employed on January 31, 2013 and has attained age 55 or 25 years of credited service on that date may enter and participate in the DROP on or after February 1, 2013 in accordance with the provisions of this section.

* * *

SECTION 8: A new Section 66-229 of Chapter 66, Article III of the City Code of the City of St. Pete Beach is created to read as follows:

Sec. 66-229. Benefits Effective February 1, 2013.

(a) Effective February 1, 2013 all members employed on that date who have not attained age 55 or 25 years of credited service, and all members hired on or after that date, shall accrue benefits as provided in this section 66-229. The provisions of this section shall not apply to members who have retired, terminated employment with the right to a deferred vested benefit, entered DROP or attained normal retirement eligibility prior to February 1, 2013.

(b) Benefit Amounts and Eligibility:

(1) *Normal retirement date.* A member's normal retirement date shall be the first day of the month coincident with or next following the earlier of the attainment of age 60 and completion of 10 years of credited service, or 30 years of credited service regardless of age. Provided, a member with 10 or more years of credited service on January 31, 2013 shall be eligible for normal retirement at age 55 or upon completion of 25 years of credited service, regardless of age. A member may retire on his normal retirement date or on the first day of any month thereafter, and each member shall become 100 percent vested in his accrued benefit on the member's normal retirement date.

(2) *Normal retirement benefit.* A member retiring on or after the normal retirement date shall receive a monthly benefit which shall commence on the first day of the month coincident with or next following his retirement and which shall be continued thereafter during the member's lifetime, ceasing upon death, but with 120 monthly payments guaranteed in any event. The monthly retirement benefit shall equal 1.25 percent of average final compensation for each year of credited service earned on or after February 1, 2013, up to a maximum of 75% of average final compensation. Provided, if a member's accrued benefit as of February 1, 2013 is 75% or more of average final compensation, the benefit percentage may not be reduced.

(3) *No Early retirement.* A member may not receive an immediate or deferred retirement benefit under this section, prior to attaining his or her normal retirement date as defined in this section.

(c) COLA. Members accruing benefits under this section shall not be entitled to a cost of

living adjustment.

(d) *Salary.* For purposes of this section, salary shall be defined as a member's base pay, excluding overtime and all other forms of compensation.

(e) *Vesting.* If a member terminates employment, either voluntarily or by lawful discharge, the member shall be entitled to the following:

(1) With less than 10 years of credited service (including credited service earned prior to February 1, 2013), a member is entitled to a refund of member contributions without interest.

(2) With 10 or more years of credited service (including credited service earned prior to February 1, 2013) a member is entitled to either:

a. The pension benefit accrued to the member's date of termination, based on the terms of the plan in effect on such date of termination, payable commencing at the member's otherwise normal retirement date, provided the member does not elect to withdraw his or her member contributions; or

b. Refund of member contributions without interest.

(f) *Employee contribution.* Effective February 1, 2013 each member of the system shall be required to make regular contributions to the fund in the amount of 3 percent of salary; provided, members who are employed on January 31, 2013 and have attained age 55 or 25 years of credited service on that date shall be required to make regular contributions to the fund in the amount of 8.3 percent of salary.

(g) *DROP.* No member may enter the DROP on or after February 1, 2013. Members already participating in DROP on February 1, 2013 may complete their DROP participation. Provided, members who are employed on January 31, 2013 and have attained age 55 or 25 years of credited service on that date shall be eligible to enter and participate in the DROP on or after February 1, 2013.

SECTION 9: A new Section 66-230 of Chapter 66, Article III of the City Code of the City of St. Pete Beach is created to read as follows:

Sec. 66-230. Share plan.

(a) Effective February 1, 2013, there is created a supplemental retirement benefit for the City of St. Pete Beach police officers in accordance with this section. The supplemental retirement benefit shall consist of an individual share account established for each police officer employed by the City on October 1, 2012, including DROP participants. The supplemental retirement benefit shall be funded solely by excess premium tax revenues received by the City pursuant to Chapter 185, Florida Statutes, as provided in this section. The total initial amount to be allocated to the participants' share accounts as provided herein shall be the 'total state monies reserve' reflected in the actuarial valuation report as of October 1, 2012. In the event the Division of Retirement determines that a lesser amount of Ch. 185

monies are available to fund the Share Plan, the Share Plan shall be funded with the amount of Ch. 185 revenues determined to be available by the Division of Retirement. Participants' share accounts shall be credited with premium tax revenues and investment earnings or losses, and distributed as follows:

(1) *Crediting of Excess Premium Tax Monies:* No later than April 1, 2013, a share account shall be established for each eligible member, and each share account shall be credited as follows. Each member who was employed as a police officer on October 1, 2012 shall receive one share for each complete month of credited service earned from January 1, 2006 through December 31, 2012, or date of DROP entry, whichever applies to each individual. The total number of shares thus determined shall be divided into the total amount of premium tax monies to be allocated to derive the initial value of each share.

- a. *Examples:* Officer (A) was employed January 1, 2006 and entered the DROP July 1, 2008. In the initial crediting of premium tax monies, this officer would receive 12 shares for 12 months of credited service in 2006, 12 shares for 12 months of credited service in 2007 and 6 shares for 6 months of credited service in 2008 before entering the DROP (total: 30 shares).
- b. *Example:* Officer (B) was employed January 1, 2006 and is still an active member of the system (non-DROP) on October 1, 2012. In the initial crediting of premium tax monies, this officer would receive one share for each month of credited service from January 1, 2006 through December 31, 2012 (total: 72 shares).
- c. *Example:* Officer (C) was employed in mid-November 2009 and is still an active member of the system (non-DROP) on December 31, 2012. In the initial crediting of premium tax monies, this officer would not receive a share for November 2009 since it was not a full month of credited service, but the officer would receive a share for each month thereafter through December 31, 2012 (total: 37 shares).

(3) *Investment Earnings and Losses:* Effective January 1, 2014 and each January 1 thereafter, each participant's share account balance shall be credited or debited with earnings or losses at a rate equal to the fund's actual net rate of investment return for the plan year ending on the preceding September 30. There are no percentage gains guaranteed since all gains and losses are determined by the fund's market performance.

(b) *Distribution of Share Accounts:* Participants shall be eligible to receive a distribution of one hundred percent (100%) of the balance in their share account, together with all applicable earnings and losses credited to their share account through the date of termination of employment. The designated beneficiary of a participant who dies while employed shall receive the accumulated total of the participant's share account balance and a participant who is awarded a disability benefit from the system shall receive the accumulated total of his/her share account balance. Payment of the share account balance shall be by lump sum, which shall consist of the accumulated total balance of the participant's share account, or, at the participant's direction, all or a portion of the share account balance may be rolled over to an IRA or another qualified plan in accordance with applicable law. The distribution of participants' share account

funds is subject to the U.S. Internal Revenue Code, and distributions shall be made with any applicable taxes and penalties withheld as required by law.

SECTION 10: Codification

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

SECTION: Severability.

If any provision of this Ordinance or the application thereof is held invalid such invalidity shall not affect the other provisions or applications of this Ordinance which can be given effect without the invalid provisions or applications and to this end the provisions of this Ordinance are hereby declared severable.

SECTION 11: Repeal of Ordinances in Conflict.

All other ordinances of the City of St. Pete Beach Florida or parts thereof which conflict with this or any part of this Ordinance are hereby repealed.

SECTION 12: Effective Date.

This Ordinance shall take effect on the date of passage upon second and final reading, except as otherwise specifically provided..

Steve McFarlin, MAYOR

FIRST READING : _____

PUBLISHED : _____

SECOND READING: _____

PUBLIC HEARING : _____

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 ____ day of _____, 2012.

Rebecca Haynes, City Clerk