

ORDINANCE NO. 2011-19

AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE POLICE PENSION PLAN TO ADOPT A SECOND TIER FOR NEW HIRES; REVISING THE DEFINITION OF COMPENSATION IN ARTICLE I; ADDING DEFINITIONS OF TIER ONE AND TIER TWO IN ARTICLE I; AMENDING SECTION 3.1(b) TO PROVIDE FOR A THREE PERCENT MULTIPLIER AND EIGHTY PERCENT MAXIMUM BENEFIT FOR THE SECOND TIER; AMENDING SECTION 3.3(b) TO REVISE THE EARLY RETIREMENT REDUCTION TO 3%; AMENDING SECTION 3.5 TO ADOPT THE MINIMUM DISABILITY BENEFITS UNDER CHAPTER 185; AMENDING SECTION 4.3.1(d) TO PERMIT UP TO FIVE YEARS OF DROP PARTICIPATION FOR MEMBERS WITH UP TO TWENTY-FIVE YEARS OF SERVICE; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Davie has previously adopted Ordinance 99-20 amending and restating the pension plan for sworn Police Officers (the "Davie Police Pension Plan");

WHEREAS, the Town and the Fraternal Order of Police, Davie Lodge #100, have agreed to a new collective bargaining agreement effective October 1, 2010;

WHEREAS, the collective bargaining agreement provides for a new "second tier" benefit level for new hires;

WHEREAS, according to state law, all Chapter 185 "minimum benefit" levels must be purchased in order to implement a second tier;

WHEREAS, it is the intent to use current and future Chapter 185 premium tax revenue to help fund this benefit improvement; and

WHEREAS, the collective bargaining agreement requires amendment to the Davie Police Pension Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, THAT:

Section 1: Article 1 of the Town of Davie Police Pension Plan is hereby amended to read as follows:

1.7 Compensation.

- (a) Compensation shall mean the Participant's base salary, assignment and longevity pay received from the Town for each Plan Year, and effective October 1, 2001 through September 30, 2003, shall include up to seventy (70) hours of overtime each year; effective October 1, 2003 compensation shall include up to one hundred and twenty (120) hours of overtime each year; effective October 1, 2006 compensation shall include up to one hundred and fifty (150) hours of overtime each year. Effective May 1, 2011, compensation shall include up to three hundred (300) hours of overtime each year. It includes any elective deferrals under any Code Section 457 Plan and excludes all other forms of direct or indirect compensation. Longevity pay is earned uniformly throughout the Plan Year and will be credited for the payroll period in which it is earned regardless of the date when it is paid.

- 1.29 Tier One means the defined benefit pension program for police officers hired prior to the creation of the second tier.
- 1.30 Tier Two means the defined benefit pension program for police officers hired on or after the creation of the second tier. Tier Two benefits shall be administered in the same manner as Tier One benefits, except as follows: the normal retirement benefit for Tier Two Participants shall be calculated using a three percent (3%) multiplier for the first twenty (20) years of service and two percent (2%) for each additional year, up to a maximum benefit of eighty percent (80%). Notwithstanding the eighty percent (80%) cap, benefits shall accrue at a rate of two percent (2%) per year for any active Tier Two participant after forty (40) years of service. Tier Two shall be interpreted at all times as is necessary to comply with all minimum benefits and standards under Chapter 185, Florida Statutes.

Section 2: Section 3.1(b) of the Town of Davie Police Pension Plan is hereby amended to read as follows:

3.1 Normal Retirement

- (b) Amount of Normal Retirement Benefit. Effective October 1, 2006, the a Tier One Participant who retires on his or her Normal Retirement Date will receive a monthly benefit in an amount equaling the sum of (1) through (4) as follows:
- (1) Three percent of his Final Average Earnings multiplied by ~~his~~ the Participant's whole and partial Years of Service for the first ten (10) years of service.
 - (2) Four percent of his Final Average Earnings multiplied by the Participant's whole and partial Years of Service for years eleven through fifteen.
 - (3) Five percent of Final Average Earnings multiplied by the Participant's whole and partial Years of Service thereafter for years sixteen (16) through twenty (20).
 - (4) Two percent of Final Average Earnings multiplied by the Participant's whole and partial Years of Service thereafter for the next ten (10) years of service.

No participant will receive a monthly benefit greater than ninety-five (95%) of his Final Average Earnings, inclusive of prior police or military service credit purchased by the member.

- (5) Effective October 1, 2010, the multiplier for Tier Two Participants shall be three percent (3%) for the first twenty (20) years of service and two percent (2%) for each additional year, up to a maximum benefit of eighty percent (80%). Notwithstanding the eighty percent (80%) cap, benefits shall accrue at a rate of two percent (2%) per year for any active Tier Two participant after forty (40) years of service.

Section 3: Section 3.3(b) of the Town of Davie Police Pension Plan is hereby amended to read as follows:

3.3 Early Retirement

- (b) Amount of Early Retirement Benefit. The eligible Participant who retires before his their Normal Retirement Date and elects to begin receiving his benefits early will receive a monthly retirement benefit in the amount he could have received as a normal retirement benefit under Section 3.1 but reduced for early payment so that it is the Actuarial Equivalent of the normal retirement benefit. Effective May 1, 2011, the early retirement reduction shall be no more than three percent (3%) per year.

Section 4: Section 3.5(c) of the Town of Davie Police Pension Plan is hereby amended to read as follows:

3.5 Disability Retirement

- (c) Amount of Retirement Benefit.

- (1) Disability not Resulting from Employment. The Participant who retires because of a Disability that has not resulted from the Participant's Employment will receive a monthly benefit in an amount equal to 1-1/2 percent of Final Average Earnings multiplied by the Participant's whole and partial Years of Service, or \$100 if greater, minus any monthly amounts received under either (A) the Social Security Act; (B) any State of Florida or County of Broward disability, age or unemployment law; or (C) any workers' compensation law to the extent permitted by applicable law, or if such offset is not permitted by law the offset will equal the amount by which the sum of the Plan benefit plus the workers' compensation benefit exceeds the Participant's monthly Compensation at the level in effect as of the Participant's Disability date; provided that any such payment received in a nonperiodic form will be annuitized to the equivalent of a monthly benefit and that amount will be offset. A disabled participant may elect to receive any optional forms of payment available under Section 4.4. Effective May 1, 2011, the minimum non-service connected disability benefit shall be the greater of the accrued benefit or twenty-five (25%) of final pay, payable as a ten year certain and life annuity.

- (2) Disability Resulting from Employment. The Participant who retires because of a Disability that the Board determines has resulted from his Employment will receive a monthly benefit in an amount equal to the greater of (i) 66-2/3 percent of base pay at the rate in effect as of the Participant's Disability date, minus the offsets described above in Subsection (c)(1); provided that effective May 1, 2011, the benefit will not be less than the accrued benefit -amount described above in Subsection (e)(1), or (ii) forty-two percent (42%) of final average earnings payable as a ten year certain and life annuity. A disabled participant may elect to receive any optional forms of payment available under Section 4.4.

Section 5: Section 4.3.1(d) of the Town of Davie Police Pension Plan is hereby amended to read as follows:

4.3 Deferred Retirement Option Plan. Subject to Federal and State Laws, participants may elect a Deferred Retirement Option Plan as described below. This option is made part of the plan.

4.3.1 Eligibility.

- (d) Members may enter the Deferred Retirement Option Plan (DROP) ~~within five (5) years~~ after reaching their Normal Retirement date. Effective October 1, 2010, DROP Participants may remain in the DROP for up to five (5) years. In no event can the total of the sum of years of creditable service and years of DROP participant exceed thirty (30) ~~25~~ years for a member who enters the DROP.

Section 6: If any clause, section, or other part or application of this Ordinance shall be held in any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and shall not affect the validity of the remaining portions or applications which shall remain in full force and effect.

