



# CITY of HOLLYWOOD, FLORIDA

## Office of Human Resources and Risk Management

2600 Hollywood Blvd. • Room 206 • P.O. Box 229045 • Hollywood, Florida 33022-9045

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**Gail H. Reinfeld**

Director

July 26, 2013

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

Re: City of Hollywood Police Officer's Pension Plan

Dear Mr. Brinkman:

Please be advised that on July 17, 2013, the City of Hollywood adopted on second and final reading, the attached ordinance that enables changes to the City's Police Officer's Retirement System. Also, be advised that on second reading of the Ordinance, an amendment was made in Section 33.128(B)(1)(b) regarding the maximum retirement benefit of 80%.

Pursuant to Florida Statute 112.63, an actuarial impact statement of proposed changes (submitted to you with our July 16, 2013 letter) was completed prior to the last public hearing and adoption of changes by the governing body.

If you have questions relating to the above, please contact me at 954.921.3218.

Sincerely,



Gail Reinfeld

### Attachment

c: Sarah Carr, Benefits Administrator, State of Florida, Division of Retirement  
David Williams, Plan Administrator  
Jeff Marrano, PBA President  
Michael Braverman, PBA Attorney  
Stephen H Cypen, Esq, Attorney  
Michael Tierney, City Actuary  
Cathy Swanson-Rivenbark, City Manager  
Frank Fernandez, Assistant City Manager/Public Safety Director  
Jeffrey Sheffel, City Attorney  
Matt Lalla, Financial Services Director



**Our Mission:** We are dedicated to providing municipal services for our diverse community in an atmosphere of cooperation, courtesy and respect. We do this by ensuring all who live, work and play in the City of Hollywood enjoy a high quality of life.

**"An Equal Opportunity and Service Provider Agency"**

ORDINANCE NO. O-2013-18

AN ORDINANCE OF THE CITY OF HOLLYWOOD, FLORIDA, AMENDING THE SUBCHAPTER OF CHAPTER 33 OF THE CODE OF ORDINANCES TITLED "POLICE OFFICER'S RETIREMENT SYSTEM"; INCORPORATING PROVISIONS OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY OF HOLLYWOOD AND THE BROWARD COUNTY PBA, COVERING THE PERIOD FROM OCTOBER 1, 2012 TO SEPTEMBER 30, 2014, INCLUDING THE CREATION OF A NEW PENSION BENEFIT CALLED THE PLANNED RETIREMENT BENEFIT.

WHEREAS, the City of Hollywood, Florida and the Broward County PBA have negotiated a Collective Bargaining Agreement (the "Agreement") covering the period from October 1, 2012 to September 30, 2014; and

WHEREAS, Article 37 of the Agreement contains changes to the police officers pension plan, including the creation of a new pension benefit called the Planned Retirement Benefit; and

WHEREAS, the police officers pension plan must be amended to incorporate the changes contained in the Agreement; and

WHEREAS, Section 33.138 of the City's Code of Ordinances requires, as one of the two alternative procedures to amend the police officers pension plan, approval by a 5/7 vote of the City Commission and 50% plus one of the active members of the police officers pension plan; and

WHEREAS, prior to the adoption of this ordinance on second reading, 50% plus one of the active members of the police officers pension plan approved the amendments contained in this ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That Section 33.128 of the Code of Ordinances is hereby amended to read as follows:

(Coding: Words and figures underscored are additions to existing law; words and figures ~~struck-through~~ are deletions.)

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*POLICE OFFICER'S RETIREMENT SYSTEM*

\* \* \*

§ 33.128 NORMAL RETIREMENT.

\* \* \*

(B) *Normal retirement benefit.*

(1) Amount.

(a) The monthly retirement benefit shall be an amount equal to 3% of average monthly earnings times years and completed months of continuous service, up to September 30, 2011, not exceeding 20 years plus 4% of average monthly earnings times years and completed months of continuous service, up to September 30, 2011, after 20 years. Effective June 7, 2006, upon completion of 22 years of continuous service prior to October 1, 2011, a member shall be provided an accrued benefit of 80% of average monthly earnings (equivalent to three years of continuous service deemed earned at a 4% accrual rate). Effective on July 17, 2013, a member who neither retires nor enters the DROP prior to that date and who was vested with ten (10) or more years of creditable service on or before September 30, 2011 but not eligible to retire with normal retirement benefits on September 30, 2011 shall be provided an accrual rate of 3.3% for years and completed months of continuous service, up to September 30, 2011, including years and completed months of continuous service in excess of 20 years. The maximum normal retirement benefit payable to a member whose accrued benefit as of June 7, 2006 is not in excess of 80% of average monthly earnings shall not exceed 80% of average monthly earnings, and the maximum normal retirement benefit payable to a member whose accrued benefit as of June 7, 2006 is in excess of 80% of average monthly earnings shall not exceed the member's accrued benefit as of June 7, 2006.

(b) Under the benefit structure effective October 1, 2011, the monthly retirement benefit for a member who retires or enters the DROP prior to July 17, 2013 shall equal 2.0% of average monthly earnings times years and completed months of continuous service earned on or after October 1, 2011 up to a maximum benefit equal to the net result of subtracting from 80% the sum of (i) the product of 3%

times the number of years of continuous service, not exceeding 20 years, earned up to September 30, 2011 and (ii) the product of 4% times the number of years of continuous service, in excess of 20 years, earned up to September 30, 2011; provided, however, that if the member retires before attaining age 62, an additional benefit equal to 0.5% of average monthly earnings times continuous service on and after October 1, 2011 shall be paid up to age 62. Under the benefit structure effective October 1, 2011, the monthly retirement benefit for a member who neither retires nor enters the DROP prior to July 17, 2013 shall equal 3.0% of average final compensation for each year of creditable service on or after October 1, 2011 up to a maximum benefit equal to the net result of subtracting from 80% the applicable total percent accrued for the number of years of continuous service earned up to September 30, 2011.

\* \* \*

(G) Planned retirement benefit.

(1) There is hereby created a benefit to be known as the Planned Retirement Benefit. The Planned Retirement Benefit, as described below, will be retroactive to October 1, 2011, but any member who retires or enters the DROP prior to July 17, 2013 will not be eligible for this benefit.

(2) In order to be eligible, a member must submit a written election, on a form created for this purpose, declaring the member's intent to participate in the Planned Retirement Benefit at any time on or after reaching the member's normal retirement date, as defined in § 33.128(A), but not later than the later of September 15, 2013 and sixty (60) days after reaching the member's normal retirement date. The form will identify the maximum number of years the member may participate in the Planned Retirement Benefit and the member's latest employment termination date based on the maximum number of years identified.

(3) A member who elects to participate in the Planned Retirement Benefit shall not exceed 30 years of service with the city, including any time participating in the Planned Retirement Benefit. A member may terminate employment any time prior to reaching the earlier of the Planned Retirement Benefit's maximum participation period as noted below or 30 years of service with the city.

(a) A member with 10 or more years of creditable service as of September 30, 2011 may participate in the Planned Retirement Benefit for a maximum of 8 years.

(b) A member with less than 10 years of creditable service as of September 30, 2011 may participate in the Planned Retirement Benefit for a maximum of 5 years.

1. A member covered by this subparagraph (b) who reaches his/her normal retirement date upon completion of more than 25 years but not more than 30 years of service with the city may, upon termination of employment, elect to receive benefits under the Planned Retirement Benefit for a period of not more than 5 years.

2. A member covered by this subparagraph (b) who reaches his/her normal retirement date upon completion of more than 30 years of service with the city will be granted a limited exception to the maximum of 30 years of service with the city generally applicable to participants in the Planned Retirement Benefit. Under this exception, the member may participate in the Planned Retirement Benefit until he/she reaches his/her normal retirement date, at which time he/she may elect to receive benefits under the Planned Retirement Benefit for a period of not more than 5 years.

(4) When a member who has participated in the Planned Retirement Benefit terminates employment, the member shall elect how he/she wishes to receive the Planned Retirement Benefit earned. The member may choose to take (i) a maximum lump sum payment that would be valued based on the number of years the member worked after electing to participate in the Planned Retirement Benefit (or the number of years for which the member elects to receive benefits under subparagraph (3)(b) above); (ii) a larger final pension annuity payment (meaning a larger annuity than that earned prior to electing to participate in the Planned Retirement Benefit) based on the number of years the member worked after electing to participate in the Planned Retirement Benefit (or the number of years for which the member elects to receive benefits under subparagraph (3)(b) above); or (iii) any combination of a lump sum payment and larger annuity by dividing the years worked after electing to participate in the Planned Retirement Benefit ((or the number of years for which the member elects to receive benefits under subparagraph (3)(b) above) between a lump sum payment and larger annuity payments. Any lump sum payment must be paid out to the member at termination (i.e., it cannot be left in the pension plan).

(5) While participating in the Planned Retirement Benefit, a member shall continue making his/her applicable employee contributions, as provided in the pension plan, until termination of employment.

(6) Any member who has reached his/her normal retirement date and has submitted the written election form to participate in the Planned Retirement Benefit shall maintain the right to participate in the Planned Retirement Benefit up to the date on which the maximum period applicable to the member has been reached or employment has terminated pursuant to the terms of the Planned Retirement Benefit as provided in this section, and no amendment to the pension plan may alter this right.

(7) For any member who reached his/her normal retirement date between October 1, 2011 and July 17, 2013, the time such member worked between his/her normal retirement date (on or after October 1, 2011) and the date the member submits the Planned Retirement Benefit election form may be included in the employee's Planned Retirement Benefit participation period, provided the member shall not exceed the maximum period of participation set forth in subsection (3) above.

(8) The lump sum payment, if elected, shall be calculated based upon the monthly values of the member's final pension annuity benefit determined using the employee's creditable service, average final compensation, and multiplier, as provided in the pension plan as of the beginning of the elected Planned Retirement Benefit participation period, plus earnings on such amounts as provided in subsection (9) below, subject to the limitations under subsection (10) below.

(9) Investment earnings applicable to any lump sum payment shall be calculated in arrears using the net investment rate earned by the pension fund on its net assets for each month of creditable service worked during the Planned Retirement Benefit participation period and applied to the prior pension annuity balance including all prior months of creditable service, including prior monthly earnings. The investment earnings shall be compounded monthly to determine the amount of investment earnings to be credited during each year of the Planned Retirement Benefit participation period. The aggregate value of the monthly investment earnings calculations will determine the amount of investment earnings to be credited for the Planned Retirement Benefit participation period. The investment earnings credited to said member will be net of the investment earnings retained by the pension fund per subsection (10) below.

(10) With regard to any plan earnings calculated into the member's lump sum payment, there shall be no losses counted in those years for which the plan return is negative, and no investment earnings will be credited for such negative years. In any year for which plan earnings are greater than 4% (applied monthly at the rate of .327%), the next 2% (applied monthly at the rate of .165%) of plan earnings (i.e., the annual earnings between 4% and 6%) shall be excluded from the member's lump sum

payment and retained by the pension plan to offset unfunded liabilities. All earnings in excess of 6% will be split equally between the member and the plan until the plan is 90% funded, at which time the split of earnings in excess of 6% will end and earnings in excess of 6% will be kept by the member (but earnings between 4% and 6% will continue to remain in the plan to offset unfunded liabilities). The split of earnings in excess of 6% will resume if the funding of the plan drops below 90%.

(11) If an eligible member who is participating in the Planned Retirement Benefit dies during his/her Planned Retirement Benefit participation period, then the member's designated beneficiary (per sections 33.128(D)(1) and 33.127(B) and (C)) or, if there is no designated beneficiary, then the member's estate (per section 33.128(D)(1)) shall make the election provided in subsection (4) above with respect to the Planned Retirement Benefits earned.

Section 2: That Section 33.131 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*POLICE OFFICER'S RETIREMENT SYSTEM*

\* \* \*

§ 33.131 FINANCING OF THE SYSTEM.

The fund of the retirement system shall consist of monies derived from the following sources:

\* \* \*

(D) Members of the system shall contribute 8% of their earnings. Effective October 1, 2006, members of the system shall contribute 8.5% of their earnings. Payments to the member for overtime in excess of 223 hours for the period from June 7, 2006 through December 31, 2006, and for overtime in excess of 400 hours in calendar year 2007 and each calendar year thereafter shall be excluded from earnings for this purpose. After completion of 27 years of continuous service, members of the

system shall contribute only 0.5% of their earnings. Effective October 1, 2009, members of the System shall contribute 9% of their earnings. Effective October 1, 2010, members shall contribute 9.25% of their earnings. Effective the first full pay period on or after May 1, 2013, members shall contribute 8% of their earnings.

\* \* \*

**Section 3:** That Section 31.136 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*POLICE OFFICER'S RETIREMENT SYSTEM*

\* \* \*

§ 33.136 MISCELLANEOUS PROVISIONS.

\* \* \*

(O) *Use of state funds for individual "share" accounts.*

\* \* \*

Commencing June 7, 2006, the state funds received by the city pursuant to F.S. Chapter 185 subsequent to the funds normally received during Fiscal Year 2006 shall not be divided into individual "share" accounts but shall be used exclusively to fund plan benefits, including "minimum benefits" and "extra benefits." as provided in F.S. Chapter 185.

Commencing on July 17, 2013, the state funds received by the city pursuant to F.S. Chapter 185 shall be used to offset city contribution requirements. In addition, all funds received by the pension plan prior to that date and held by the pension plan on that date shall be applied to reduce city contributions.

\* \* \*



AN ORDINANCE AMENDING THE SUBCHAPTER OF CHAPTER 33 OF THE CODE TITLED "POLICE OFFICER'S RETIREMENT SYSTEM".

Section 4: That it is the intention of the City Commission that the provisions of this ordinance shall become and be made a part of the Code of Ordinances of the City of Hollywood, Florida, and the provisions of this ordinance may be renumbered to accomplish such intention.

Section 5: That if any word, phrase, clause, subsection or section of this ordinance is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of any remaining portions of this ordinance.

Section 6: That all sections or parts of sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed to the extent of such conflict.

Section 7: That this ordinance shall be in full force and effect immediately upon its passage and adoption.

ADVERTISED on July 5, 2013.

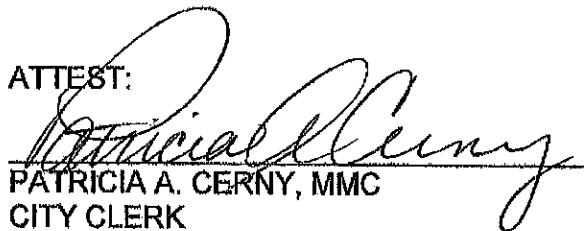
PASSED on first reading this 3 day of July, 2013.

PASSED AND ADOPTED on second reading this 17 day of July, 2013.



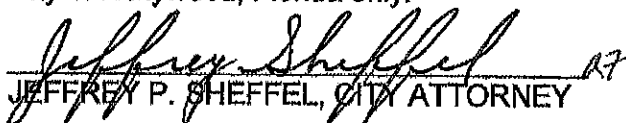
PETER BOBER, MAYOR

ATTEST:



PATRICIA A. CERNY, MMC  
CITY CLERK

APPROVED AS TO FORM & LEGALITY  
for the use and reliance of the  
City of Hollywood, Florida only:



JEFFREY P. SHEFFEL, CITY ATTORNEY