



DEPARTMENT OF MANAGEMENT  
**SERVICES**

**RICK SCOTT**  
Governor

**JOHN P. MILES**  
Secretary

September 6, 2011

Ms. Gail Reinfeld  
Director, Human Resources & Risk Management  
City of Hollywood  
Post Office Box 229045  
Hollywood, Florida 33022-9045

Dear Ms. Reinfeld:

This is to acknowledge receipt from Dave Williams, the Police Plan administrator, of a copy of the September 1, 2011 actuarial impact statement prepared by the plan's actuary regarding proposed ordinance PO-2011-23 amending the Police Officers' Retirement System.

Please refer to my August 4 letter, copy enclosed, regarding the two proposed ordinances amending the Police Officers' and Firefighters' Pension Plans. As of this date, we have not received a response from the City or a copy of the revised proposed ordinances and impact statements.

As stated in my August 4 letter, in order for the City of Hollywood to continue to be eligible to receive the state premium taxes under Chapters 175 and 185, the plans must include the minimum benefits and standards and must maintain the benefits that were in place on March 12, 1999, as provided in ss. 175.351(1) and 185.35(1), F. S.

It appears the proposals may reduce benefits below those that were in effect on March 12, 1999. In order to continue to be eligible to receive state premium tax moneys, please make the necessary amendments to the proposals and provide our office with copies of the revised proposed ordinances and actuarial impact statements prior to final adoption by the City.

Thank you for your cooperation and assistance in this matter. If you have any questions or if this office can be of further assistance, please let me know.

Sincerely,

Patricia F. Shoemaker  
Benefits Administrator  
Municipal Police Officers' and  
Firefighters' Retirement Funds

pfs

cc: David Strauss, Chairman, Police Officers' Retirement System  
Mark Butler, Chairman, Firefighters' Pension Plan  
Dave Williams, Admin., Police Officers' Retirement System  
Rich Brito, Administrator, Firefighters' Pension Plan  
Stephen H. Cypen, Plan Attorney

Jose Fernandez, Plan Actuary  
Cathy Swanson-Rivenbark, City Mgr.  
Jeffrey Sheffel, City Attorney  
Jeff Marano, Broward Co. PBA  
Keith E. Brinkman, Bureau Chief,  
Local Retirement Systems



RICK SCOTT  
Governor

DEPARTMENT OF MANAGEMENT  
**SERVICES**

JOHN P. MILES  
Secretary

August 4, 2011

Ms. Gail Reinfeld  
Director, Human Resources & Risk Management  
Post Office Box 229045  
Hollywood, Florida 33022-9045

Dear Ms. Reinfeld:

This is to acknowledge receipt of of proposed Ordinance Nos. PO-2011-22, amending the Firefighters' Pension Plan and PO-2011-23, amending the Police Officers' Retirement System.

Mr. Williams also provided a copy of the proposed amendment for the Police Officers' Retirement System along with a copy of an actuarial impact statement dated July 20, 2011 prepared by Mr. Tierney.

In reviewing the proposals to determine compliance with Chapters 175 and 185, please consider the following comments:

It appears that in both proposals there are a number of benefits that are being reduced or eliminated.

The definition of "earnings" for firefighters is being amended to exclude a number of items. Section 175.032(3), states that "Compensation" or "salary" means the fixed monthly remuneration paid a firefighter.

The definition of "earnings" for police officers is also being amended to exclude a number of salary elements including all "overtime." Section 185.02(4), states that "compensation" or "salary" means the total cash remuneration including "overtime" paid by the primary employer to a police officer for services rendered, but not including any payments for extra duty or a special detail work performed on behalf of a second party employer. However, a local law plan may limit the amount of overtime payments which can be used for retirement benefit calculation purposes, but in no event shall such overtime limit be less than 300 hours per officer per calendar year.

Chapter 2011-216, Laws of Florida requires the plans to be amended to restrict the inclusion of overtime in excess of 300 hours per year for service earned after the "effective date," as well as the exclusion of the payment for sick and vacation leave earned after the "effective date." For service earned on or after the "effective date" (July 1, 2011, for non-collectively bargained service; or the date of entry into the first collective bargaining agreement (CBA) entered into on or after July 1, 2011, for collectively bargained service), a defined benefit plan may include up to 300 hours per year of overtime compensation, as specified in the plan or CBA, but may not include any payments for accrued unused sick or annual leave in the retirement calculation. The 300 hours of overtime remains a "minimum" requirement for the police officers' plan.

Payments for overtime greater than 300 hours per year or accrued unused annual or sick leave accrued with service earned before the "effective date" may still be included in compensation for pension purposes, as provided in the plan document or CBA, even if the payment is not actually made until on or after the "effective date".

The proposals go on to amend the normal retirement date, the average final compensation (AFC), the normal retirement benefit, and eliminate the COLA, the DROP, and the supplemental distribution.

Sections 175.351(1) and 185.35(1), provide that local law plans in effect on October 1, 1998, (like Hollywood), shall be required to comply with the minimum benefit provisions of this chapter only to the extent that additional premium tax revenues become available to incrementally fund the cost of such compliance as provided in s. 175.162(2)(a) and 185.16(2). When a plan is in compliance with such minimum benefit provisions, as subsequent additional premium tax revenues become available, they shall be used to provide extra benefits. For the purpose of these chapters, "additional premium tax revenues" means revenues received by a municipality pursuant to ss. 175.121 and 185.10 which exceed that amount received for calendar year 1997, and the term "extra benefits" means benefits in addition to or greater than those provided to general employees of the municipality and in addition to those in existence for firefighters or police officers on March 12, 1999 (the effective date of Chapter 99-1, Laws of Florida).

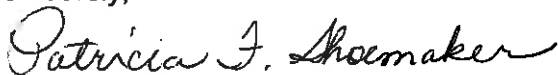
Pursuant to the ss. 175.351(1) and 185.35(1), the City may continue to use the state premium tax moneys collected for calendar year 1997 for the benefits that were in place on March 12, 1999, plus any increases in state moneys that were used to make minimum benefit improvements. Any extra benefit improvements that were enacted since March 12, 1999 may be reduced prospectively (with an adjustment of the amount of state moneys, if used to fund the improvement).

Please review the proposals and make the necessary amendments to maintain the minimum benefits provided under Chapters 175 and 185. If any of the proposed reductions will reduce the benefits below what was in effect on March 12, 1999, then the plans must be amended to reinstate them to at least the level in effect on March 12, 1999, as provided in ss. 175.351(1) and 185.35(1).

Pursuant to ss. 175.351(2) and 185.35(2), please make the necessary amendments and provide our office with copies of the revised proposed ordinances and actuarial impact statements (prepared by the plans' actuaries) prior to final reading.

Thank you for your cooperation and assistance in this matter. If you have any questions or if this office can be of assistance, please let me know.

Sincerely,



Patricia F. Shoemaker  
Benefits Administrator  
Municipal Police Officers' and  
Firefighters' Retirement Funds

pfs

cc: Dave Williams, Admin., Police Officers' Retirement System  
Rich Brito, Administrator, Firefighters' Pension Plan  
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