

1 not become members of the "plan." Active participants of the group pension plan who
2 become employed by the City of Gainesville upon the city's acquisition of the Gainesville
3 Gas Company shall become members of the "plan" on the first day following the
4 acquisition date and shall be entitled to the benefits described below.

5 (1) The accrued benefit for such members shall be:

6 a. The accrued benefit earned under the Gainesville Gas Group Plan as of
7 the acquisition date; plus

8 b. Two percent of final average earnings times credited service earned
9 after the acquisition date; plus

10 c. For each year of credited service earned after the acquisition date, an
11 additional two percent of final average earnings will be credited, not to
12 exceed the service years earned under the accrued benefit formula under
13 the Gainesville Gas Group Plan; less

14 d. For each year of Gainesville Gas Group Plan service credited under
15 subsection c. above, the portion of the accrued benefit determined under
16 subsection a. above based on such year(s), payable as a monthly life
17 annuity from normal retirement date, except as otherwise provided in this
18 article.

19 (2) For purposes of determining normal retirement date, service accrued under
20 the Gainesville Gas Group Plan prior to the acquisition date will be
21 counted as vesting service.

22 (3) For the purpose of computing final average earnings, overtime and
23 termination vacation pay shall not be included, except as provided below.

24 For members retiring on or after October 1, 1996, overtime shall be

1 included for the purpose of computing final average earnings, except as
2 otherwise expressly provided for herein. To calculate earnings for service
3 earned on or after October 1, 2012, no more than 300 hours of overtime
4 pay per year earned on or after October 1, 2012 shall be included. For
5 members retiring on or after May 1, 2016, termination vacation pay
6 accrued and unused on or before October 1, 2012 shall be included in the
7 calculation of final average earnings.

8 **Section 2.** Subsection (b), Service Retirement Pension, of Section 2-526, Benefits, of
9 the Code of Ordinances of the City of Gainesville, are amended to read as follows:

10 **Section 2-526. - Benefits.**

11 (b) *Service retirement pension.* In the event of normal retirement, early retirement, or
12 delayed retirement, the retiring employee shall be entitled to and shall be paid a monthly
13 pension beginning with the month of retirement and continuing until death, except as
14 provided in subsection (j), and subsection (g) of section 2-523. For members making
15 application for retirement on or after May 1, 2016, such monthly pension payment will
16 begin on the first day of the month after the member applies for retirement with the plan
17 administrator, but not less than thirty (30) days after making application. The amount of
18 the monthly pension to which a retired employee whose most recent appointment to
19 employment with the city as a permanent or regular employee occurred on or before
20 October 1, 2012 will be entitled will be equal to two percent of the employee's final
21 average earnings multiplied by the number of years of credited service divided by 12,
22 except as provided in subsection (j), and subsection (g) of section 2-523. The amount of
23 the monthly pension to which a retired employee whose most recent appointment to
24 employment with the city as a permanent or regular employee occurred on or after

1 October 2, 2012 will be entitled will be equal to 1.80 percent of the employee's final
2 average earnings multiplied by the number of years of credited service divided by 12,
3 except as provided in subsection (j), and subsection (g) of section 2-523.

4 **Section 3.** Subsection (i) of Section 2-534, Deferred retirement option program, of the
5 Code of Ordinances of the City of Gainesville, is amended to read as follows:

6 **Section 2-534. - Deferred retirement option program.**

7 (i) Effective with the date of DROP participation, the member's initial monthly benefit,
8 including creditable service, final average earnings and the effective date of retirement
9 shall be fixed. A DROP participant's deferred monthly benefit shall accrue in the plan
10 pension fund on behalf of the participant, plus interest. Such interest for members whose
11 DROP participation begins on or before October 1, 2012 shall accrue at an effective
12 annual rate of six percent compounded monthly, on the prior month's accumulated ending
13 balance, up to the month of termination or death. For members whose DROP
14 participation begins on or after October 2, 2012, such interest shall accrue at an effective
15 annual rate of 2.25 percent compounded monthly, on the prior month's accumulated
16 ending balance, up to the month of termination or death. For members whose DROP
17 participation begins on or after May 1, 2016, members shall have a one-time, irrevocable
18 option for such interest to accrue at either (1) an effective annual rate of 2.25 percent
19 compounded monthly, on the prior month's accumulated ending balance, up to the month
20 of termination or death, or (2) a variable annual rate of not less than 0 and not more than
21 4.5 percent based on the plan's actual return rate for the previous plan year compounded
22 monthly, on the prior month's accumulated ending balance, up to the month of
23 termination or death. Retirement benefits and interest thereon shall continue to accrue in
24 the DROP until the established termination date of the DROP, or until the participant

1 terminates employment or dies prior to such date. Although individual DROP accounts
2 shall not be established, a separate accounting of each participant's accrued benefits under
3 the DROP shall be calculated and provided to participants annually.

4 **Section 4.** It is the intention of the City Commission that the provisions of Sections 1
5 through 3 of this ordinance shall become and be made a part of the Code of Ordinances of the
6 City of Gainesville, Florida, and that the Sections and Paragraphs of this Ordinance may be
7 renumbered or relettered in order to accomplish such intentions.

8 **Section 5.** If any word, phrase, clause, paragraph, section, or provision of this ordinance
9 or the application hereof to any person or circumstance is held to be invalid or unconstitutional,
10 such finding shall not affect the other provisions or applications of the ordinance which can be
11 given effect without the invalid or unconstitutional provisions or application, and to this end the
12 provisions of this ordinance are declared severable.

13 **Section 6.** All ordinances, parts of ordinances, or policies in conflict herewith are to the
14 extent of such conflict hereby repealed.

15 **Section 7.** This ordinance shall become effective immediately upon final adoption.

16 **PASSED AND ADOPTED** this 21st day of April, 2016.

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19 
20 ED BRADDY
21 MAYOR

22 ATTEST:

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25 
26 KURT M. LANNON
27 CLERK OF THE COMMISSION

Approved as to form and legality

28 
29 NICOLLE SHALLEY
CITY ATTORNEY

28 This Ordinance passed on first reading this 7th day of April, 2016.

29 This Ordinance passed on second reading this 21st day of April, 2016.