

Legislative #

150213

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ORDINANCE NO. 150213

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4 **An ordinance of the City of Gainesville, Florida, amending**
5 **Chapter 2, Article VII, Division 5 (Employees Pension Plan) of**
6 **the Code of Ordinances of the City of Gainesville; amending**
7 **Section 2-523, Membership and service, related to the**
8 **computation of final average earnings for participants in the**
9 **Gainesville Gas Group Pension Plan; amending Section 2-**
10 **534, Deferred Retirement Option Program, related to interest**
11 **rate; providing directions to the codifier; providing a**
12 **severability clause; providing a repealing clause; and**
13 **providing an immediate effective date.**
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16 **WHEREAS**, at least 10 days notice has been given once by publication in a newspaper
17 of general circulation notifying the public of this proposed ordinance and of a Public Hearing in
18 the Auditorium of City Hall in the City of Gainesville; and

19 **WHEREAS**, the Public Hearings were held pursuant to the published notice described at
20 which hearings the parties in interest and all others had an opportunity to be and were, in fact,
21 heard.

22 **NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE**
23 **CITY OF GAINESVILLE, FLORIDA:**

24 **Section 1.** Subsection (h), Participants in Gainesville Gas Group Pension Plan, of
25 Section 2-523, Membership and Service, of the Code of Ordinances of the City of Gainesville, is
26 amended to read as follows:

27 **Section 2-523. - Membership and service.**

28 (h) *Participants in Gainesville Gas Group Pension Plan.* The City of Gainesville
29 shall purchase the Group Pension Plan for employees of Gainesville Gas and shall place
30 all of the cash, investments, and other assets of said plan in the trust fund of the City of
31 Gainesville Employees Pension Plan (the "plan"). Retired and former participants shall
32 remain entitled to the applicable benefits as described in the group pension plan, but shall

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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

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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

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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

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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 ___ day of April, 2016.

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19 _____
20 ED BRADDY
21 MAYOR

22 ATTEST:

Approved as to form and legality

23
24
25 _____
26 KURT M. LANNON
27 CLERK OF THE COMMISSION

NICOLLE SHALLEY
CITY ATTORNEY

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

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