

ORDINANCE NO. 120680

An ordinance of the City of Gainesville, Florida, amending Chapter 2, Article VII, Division 8 (Consolidated Police Officers and Firefighters Retirement Plan) of the Code of Ordinances of the City of Gainesville; amending Section 2-596, Definitions; amending the definition of accrued benefit relating to the multiplier for police officers; amending the definition of earnings related to overtime pay and termination vacation pay for police officers; amending the definition of final average earnings related to the computation of such earnings for police officers; adding a definition of police officer; amending the definition of service credit rules related to service credit for sick leave earned by police officers; amending the definition of trust fund to include individual accounts authorized under the Supplemental Retirement Program for Police Officers; amending Section 2-600, Retirement dates and benefits, related to years of service and age required for normal retirement of police officers, withdrawal of contributions by police officers after termination of employment, and sick leave credit and interest rate for police officers entering DROP; amending Section 2-607, Cost of living adjustment of benefits, related to cost of living adjustments for police officers; adding Section 2-608 to provide a supplemental retirement benefit to police officers; providing directions to the codifier; providing a severability clause; providing a repealing clause; and providing an immediate effective date.

WHEREAS, at least 10 days notice has been given of the public hearing once by publication in a newspaper of general circulation notifying the public of this proposed ordinance and of a public hearing in the City Commission meeting room, first floor, City Hall in the City of Gainesville; and

WHEREAS, the public hearings were held pursuant to the published notice described at which hearings the parties in interest and all others had an opportunity to be and were, in fact, heard.

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

Section 1. Section 2-596, Definitions, of the Code of Ordinances of the City of Gainesville, is amended as follows (except as amended herein, the remainder of Section 2-596

1 remains in full force and effect):

2 **Sec. 2-596. - Definitions.**

3 *Accrued benefit* shall mean, as of the date of termination or entry into the DROP,
4 whichever is earlier, the member's monthly retirement benefit in an amount equal to 2.5 percent
5 or 2.625 percent of final average earnings times credited service. Except as otherwise provided
6 herein, credited service attributable to service prior to October 1, 2005 shall be multiplied by 2.5;
7 credited service attributable to service from October 1, 2005 on, shall be multiplied by 2.625.
8 For members who are police officers, credited service attributable to service prior to October 1,
9 2005 shall be multiplied by 2.5, credited service attributable to service from October 1, 2005 to
10 June 30, 2013 shall be multiplied by 2.625, and credited service attributable to service from July
11 1, 2013 on, shall be multiplied by 2.5.

12 *Earnings* shall mean only base pay (which shall include all paid leaves), all overtime pay
13 (which shall include time paid at time-and-a-half, double-time, and double-time-and-a-half),
14 working out of classification pay, longevity pay, State of Florida city firefighters supplemental
15 education incentive payments, State of Florida police officer educational salary incentive
16 payments, police security ("billable" overtime), special assignment pay, special duty assignment
17 pay, paramedic certification pay, stand-by pay, call-back pay, acting out of classification pay,
18 and termination vacation pay or for members entering a DROP any lump sum payment of some
19 or all such member's vacation balance upon entering the DROP, except as may be otherwise
20 expressly provided for herein or in collective bargaining agreements. To calculate earnings for
21 service earned on or after July 1, 2013 by members who are police officers, no more than 300
22 hours of overtime pay (including "billable" overtime) per year earned on or after July 1, 2013
23 shall be included, nor shall termination vacation pay or any lump sum payment of a member's

1 vacation balance upon entering DROP earned on or after July 1, 2013 be included. For any
2 person who first becomes a member in any plan year beginning on or after January 1, 1996,
3 compensation for any plan year shall not include any amounts in excess of the Internal Revenue
4 Code § 401(a)(17) limitation (as amended by the Omnibus Budget Reconciliation Act of 1993),
5 which limitation of \$150,000.00 shall be adjusted as required by federal law for qualified
6 government plans and shall be further adjusted for changes in the cost of living in the manner
7 provided by Internal Revenue Code § 401(a)(17)(b). For any person who first became a member
8 prior to the first plan year beginning on or after January 1, 1996, the limitation on compensation
9 shall be not less than the maximum compensation amount that was allowed to be taken into
10 account under the plan as in effect on July 1, 1993, which limitation shall be adjusted for
11 changes in the cost of living since 1989 in the manner provided by Internal Revenue Code s.
12 401(a)(17)(1991).

13 *Final average earnings* shall mean:

14 (1) The average of a member's monthly earnings for the 36 consecutive months which
15 produces the highest average, as of the date of benefit determination, except as
16 otherwise expressly provided herein. Final average earnings shall be determined by
17 dividing the total earnings earned and received by the member during the applicable
18 36-month period by 36.

19 (2) For a member whose most recent appointment to employment with the city as a
20 police officer occurred on or after July 1, 2013, the average of a member's monthly
21 earnings for the 48 consecutive months which produces the highest average, as of the
22 date of benefit determination. Final average earnings shall be determined by dividing

1 the total earnings earned and received by such member during the applicable 48-
2 month period by 48.

3 (23) If a member has been absent from work (performs no duties) due to an injury
4 claimed to be compensable under F.S. Ch. 440 during the period of time which
5 would be utilized to determine his/her final average earnings, then such period of
6 absence shall not be considered months of employment for the purposes of this
7 section. The months of employment immediately preceding the absence shall be
8 deemed to be consecutive with the months of employment, if any, earned after
9 his/her return to work.

10 Police officer shall mean any eligible employee who is certified or required to be certified
11 as a law enforcement officer in compliance with Section 943.14, Florida Statutes, who is vested
12 with authority to bear arms and make arrests, and whose primary responsibility is the prevention
13 and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of the
14 state. This definition includes all certified supervisory and command personnel whose duties
15 include, in whole or in part, the supervision, training, guidance, and management responsibilities
16 of full-time law enforcement officers, part-time law enforcement officers, or auxiliary law
17 enforcement officers, but does not include part-time law enforcement officers or auxiliary law
18 enforcement officers as the same are defined in Section 943.10(6) and (8), Florida Statutes,
19 respectively.

20 *Service credit rules* shall mean the following:

21 (1) Day of service shall mean each day for which a member is:

22 a. Paid, or entitled to payment, by the city for performance of duties;

1 b. Paid, or entitled to payment, by the city on account of a period of time
2 during which no duties are performed (e.g., vacation, holiday, illness,
3 incapacity, layoff, jury duty, military duty or approved leave of absence);

4 c. Each day for which back pay, irrespective of mitigation or damages, has
5 been either awarded to or agreed to by the city; provided, however, that
6 the same day shall not be credited as a day of service more than once.

7 (2) Month of service shall mean a one-month period beginning on the day of the
8 month corresponding to a member's date of employment, during which the
9 member has earned at least ten days of service; provided however, that ten days of
10 service will be deemed to have been earned in each month of service in which
11 occurs:

12 a. An approved leave of absence, not to exceed 90 days, authorized by the
13 city, in accordance with a uniform policy applied on a nondiscriminatory
14 basis to all members similarly situated; or

15 b. Voluntary or involuntary service in the Armed Forces of the United States
16 for a period not greater than five years of the time spent in the military
17 service of the Armed Forces of the United States shall be added to the
18 years of actual service, if:

19 1. The member is in the city's active employ as an eligible employee
20 prior to such service and leaves such position for the purpose of
21 voluntary or involuntary service in the Armed Forces of the United
22 States.

1 2. Such member is entitled to reemployment under the provisions of
2 the Uniformed Services Employment and Reemployment Rights
3 Act.

4 3. The member returns to his or her employment as an eligible
5 employee within one year from the date of his or her release from
6 such active service.

7 (3) A member shall not earn any days or months of service for any purpose under the
8 plan after entering in a DROP, except as a re-employed retiree, if applicable.

9 (4) If the employment of a member is terminated, and such former member is
10 subsequently reemployed by the city, the member's date of employment, for
11 purposes of determining additional months of service, shall be reestablished as
12 his/her date of reemployment.

13 (5) Credited service shall mean the aggregate number of months of service with the
14 city as an eligible employee, expressed in terms of full and fractional year, subject
15 to the following:

16 a. Additional months of service shall be credited for unused sick leave
17 credits, assigning one day of service for each day of unused sick leave,
18 unless otherwise expressly provided for herein, in applicable personnel
19 policies, collective bargaining agreements, or DROP provisions. For
20 service earned on or after July 1, 2013 by members who are police
21 officers, no additional months of service shall be credited for unused sick
22 leave earned on or after July 1, 2013. In calculating credited service on or
23 after July 1, 2013, the lesser number of months between the additional

1 months of service credited for unused sick leave earned on or before June
2 30, 2013 and months of unused sick leave available to members who are
3 police officers at the time of their retirement shall be used. Additional
4 months of service and fractions thereof, as determined by the city, shall be
5 credited to members for periods of employment while a CETA employee.
6 Additional months of service attributable to public safety and military
7 service prior to employment may be credited pursuant to subsection 2-
8 600(n).

9 b. No member will receive credit for years or fractional parts of years of
10 service if he or she has withdrawn his or her contributions to the fund for
11 those years or fractional parts of years of service, unless the member
12 repays into the fund the amount he or she has withdrawn, plus interest as
13 determined by the board. The multiplier applied to such service, and
14 interest payments associated with the repayment, shall utilize the
15 multiplier in effect at the time repayment is made. The member shall have
16 90 days after his or her re-employment to make repayment, except if re-
17 employed after March 1, 2004, but prior to June 12, 2007, in which case
18 the member shall have three years and six months after his or her re-
19 employment to make repayment.

20 c. A member may voluntarily leave his or her contributions in the fund for a
21 period of five years after ceasing to be an eligible employee, pending the
22 possibility of his or her being rehired as an eligible employee, without
23 losing credit for the time he or she has participated actively as a member.

1 If he or she is not re-employed as an eligible employee within five years,
2 his or her contributions shall be returned to him or her without interest.

3 *Trust fund* shall mean the cash and other assets accumulated, held and maintained by the
4 board of trustees of the consolidated plan in accordance with this division, including individual
5 accounts authorized under the DROP and the Supplemental Retirement Program for Police
6 Officers.

7 **Section 2.** Sub-sections (a), (e), and (k) of Section 2-600, Retirement dates and benefits,
8 of the Code of Ordinances of the City of Gainesville, are amended as follows (except as
9 amended herein, the remainder of Section 2-600 remains in full force and effect):

10 **Sec. 2-600. - Retirement dates and benefits.**

11 (a) *Normal retirement.* Normal retirement under the plan is retirement from the
12 employ of the city on the normal retirement date. In the event of normal
13 retirement, a member shall have a non-forfeitable right to his/her benefit, and
14 payment of the retirement benefit shall be governed by the following provisions:

15 (1) *Normal retirement date.* The normal retirement date of a member shall be
16 the first day of the month coincident with or next following the completion
17 of 20 years of credited service at any age, the date the member has both
18 completed at least ten years of credited service and attained age of 55, or
19 has attained a combination of years of credited service and age that equals
20 70, unless otherwise expressly provided for herein. For members whose
21 most recent appointment to employment with the city as a police officer
22 occurred on or after July 1, 2013, the normal retirement date shall be the
23 first day of the month coincident with or next following the completion of

1 25 years of credited service at any age, the date the member has both
2 completed at least ten years of credited service and attained age of 55, or
3 has attained a combination of years of credited service and age that equals
4 70.

5 (2) *Benefit amounts.* The monthly normal retirement benefit payable to a
6 member shall be equal to his/her accrued benefit, except as provided in
7 section 2-601, as defined in section 2-596, determined as of his/her normal
8 retirement date.

9 (3) *Benefit payments.* The monthly retirement income payable in the event of
10 normal retirement will be payable on the first day of each month. The first
11 payment will be made on the member's normal retirement date, or on the
12 first day of the month coincident with or next following the member's
13 actual retirement, if later, and the last payment will be the payment due
14 next preceding the member's death; except that, in the event the member
15 dies after retirement but before receiving retirement benefits for a period
16 of ten years, the same monthly benefit will be paid to the beneficiary (or
17 beneficiaries) as designated by the member for the balance of such ten-
18 year period, or, if no beneficiary is designated, to the estate of the
19 member, as provided in section 2-606. If a member continues in the
20 service of the city beyond his or her normal retirement date and dies prior
21 to the date of actual retirement, without an option made pursuant to
22 section 2-601 being in effect, monthly retirement income payments will be
23 made for a period of ten years to a beneficiary (or beneficiaries)

1 designated by the member as if the member had retired on the date on
2 which death occurred, or, if no beneficiary is designated, to the estate of
3 the member, as provided in section 2-606. A member may modify the
4 amount and conditions of payments by electing an option in accordance
5 with section 2-601, in which event the retirement benefit shall be paid in
6 accordance with the terms of such option.

7 (e) *Termination of employment.* A member whose employment with the city
8 terminates prior to the completion of at least ten years of credited service, for any
9 reason other than his/her disability shall not be entitled to any benefits under the
10 plan, provided, however, that, except as provided in subsection (6) below,
11 amounts contributed by members shall be paid without interest to the member or,
12 as applicable, the member's beneficiary. A member whose employment with the
13 city terminates after the completion of at least ten years of credited service shall
14 be entitled to a termination benefit, or if s/he elects return of contributions without
15 interest. A member whose employment as a police officer terminated with the city
16 prior to July 9, 2007 after the completion of at least ten years of credited service
17 may elect at any time before he/she receives any termination benefit a return of
18 his/her contributions without interest in lieu of any benefits under the plan.
19 Payment of the termination benefit shall be governed by the following provisions
20 of this section:

21 (1) A member who has at least ten years of credited service and elects to leave
22 his or her contributions in the trust fund may, upon attaining age 50 years
23 or more, may then receive at the actuarial equivalent of the amount of such

1 retirement income otherwise payable to him or her, as provided in section
2 2-600(b), or, upon attaining age 55 years, may then receive the retirement
3 income as provided in subsection 2-600(a).

4 (2) *Reemployed members.* In the event employment of a member, entitled to a
5 termination benefit pursuant to subsection (1) above, is terminated, and
6 he/she is subsequently reemployed as an eligible employee by the city
7 prior to receiving a termination benefit, he/she shall continue to be entitled
8 to the credited service he/she had previously earned, and shall again
9 participate in the plan and accrue benefits after such date of
10 reemployment, in accordance with the terms of the plan. A member who
11 has had the amount, if any, he/she contributed to this plan repaid without
12 interest, shall no longer be a member of the plan and shall not be entitled
13 to receive any benefits under the plan. If such member is subsequently
14 reemployed as an eligible employee by the city, he/she may recoup his/her
15 previous credited service to which he/she was previously entitled, as
16 described in section 2-596 "Credited Service."

17 (3) *Reemployment within five years.* If a member was not entitled to a
18 termination benefit, he or she may voluntarily leave his or her
19 contributions in the fund for a period of five years after ceasing to be an
20 eligible employee, pending the possibility of being rehired as such,
21 without losing credit for the time he or she has participated actively as an
22 eligible employee. If the firefighter or police officer is not so reemployed

1 within five years, his or her contributions shall be returned without
2 interest.

3 (k) *Deferred retirement option program.*

4 (1) A deferred retirement option program is hereby created for eligible
5 employees.

6 (2) A member who is an eligible employee is eligible for participation in the
7 DROP on the first day of the month coincident with or next following the
8 completion of 25 years of limited participant service, or meeting the rule
9 of 70 including limited participant service, and continuing up to 30 years
10 of service as a regular employee, except as provided in subsection (7)
11 below. In the case of a reverse DROP, such requirement must be met as of
12 the effective date of commencement of participation in the DROP,
13 including if applicable the lesser of the sick leave balances described
14 below. Except as otherwise expressly provided for herein, uUpon entering
15 into a regular DROP, members may elect to apply unused sick leave hours
16 to attain the requisite years of credited service for eligibility to enter and
17 for determining their accrued benefit, or retain some or all of their unused
18 sick leave for use during their employment while participating in the
19 regular DROP. For service earned by members who are police officers on
20 or after July 1, 2013, upon entering regular or reverse DROP, no
21 additional months of service shall be credited for unused sick leave earned
22 on or after July 1, 2013. In calculating service earned by members who
23 are police officers on or after July 1, 2013, the lesser number of months

1 between the additional months of service credited for unused sick leave
2 earned on or before June 30, 2013 and months of unused sick leave
3 available to a member at the time of his or her entry into DROP shall be
4 used. Sick leave hours used in computing cash outs of sick leave balances
5 upon retirement are considered already "used" and may not be converted
6 to credited service, or used as sick leave during participation in the regular
7 DROP. Sick leave balances retained upon entry into the regular DROP and
8 accrued while participating in the regular DROP shall not count as days or
9 months of credited service when determining the maximum period of
10 participation in the DROP, in accordance with subsections (6) and (7)
11 below. Any unused sick leave remaining at the expiration of the regular
12 DROP participation or period will be forfeited. Except as otherwise
13 expressly provided for herein, ~~if~~ in the case of a reverse DROP, members
14 may utilize the lesser of the vacation and sick leave balances in existence
15 on the effective date of commencement of participation or the balances in
16 existence 90 days after declaration of intention to enter the reverse DROP.
17 Any cash outs shall be included in the FAE calculations for the month
18 prior to the effective date of commencement of participation in the reverse
19 DROP, at the member's base pay rate on that date.

- 20 (3) On the date of a member's entry into the DROP or date of deemed entry
21 into a reverse DROP, the member's credited service, accrued benefit, and
22 final average earnings shall be calculated as if the member had actually
23 separated from service on that date and retired. There shall be no further

1 member contributions after entry into the DROP, except as a re-employed
2 retiree, if applicable, and employee contributions made after the effective
3 date of commencement of participation in a reverse DROP shall be
4 returned without interest. No additional credited service shall be earned
5 after entering the DROP, except as re-employed retiree, if applicable. Any
6 changes in plan benefits shall not apply to members in the DROP, unless
7 otherwise applicable to retired members of the plan.

- 8 (4) Members otherwise eligible to receive longevity pay and who are eligible
9 to and who elect to enter a DROP must, in order to enter and to continue
10 to participate in the DROP, make an irrevocable election upon entry into
11 the DROP as hereinafter provided. The member may (1) continue to
12 receive longevity payments and merit increases (assuming merit increases
13 are provided and applicable), but forego receipt of all future general
14 (COLA) salary increases, or (2) continue to receive general (COLA)
15 salary increases and merit increases (assuming merit increases are
16 provided and applicable) but become ineligible for future receipt of
17 longevity pay, or (3) in the case where the applicable pay plan does not
18 provide separately for general and merit increases, the member may
19 forego either future receipt of longevity payments, or any and all future
20 salary increases. In those cases where the member elects to forego receipt
21 of future longevity payments, entry into the DROP shall be treated as
22 separation from service for the purposes of section 2-484. This subsection
23 does not apply to members in a reverse DROP.

1 (5) The member shall select the retirement option as provided for in section 2-
2 601 and shall designate any beneficiary in accordance with plan provisions
3 and practices applicable to normal and delayed retirements.

4 (6) The maximum period of participation in the DROP is 60 months from date
5 of entry, or in the case of a reverse DROP 60 months from the effective
6 date of commencement of participation. Except as provided in subsection
7 (7), participation in the DROP must cease at the conclusion of a total of 30
8 years of regular employment with the City of Gainesville and, if
9 applicable, a successor employer under F.S. § 112.0515 (1997). In the case
10 of a reverse DROP, the end of the DROP period, and termination of
11 employment, must occur at no later than a total of 30 years of regular
12 employment with the City of Gainesville and, if applicable, a successor
13 employer under F.S. § 112.0515 (1997).

14 (7) Members who have more than 27 years of limited participant service in
15 the plan as of October 1, 1999, shall have until December 30, 1999 to elect
16 to enter into the DROP, on or before February 1, 2000, and to then be
17 eligible to participate for a maximum of 36 months from the date of entry.
18 Such members making an election on or after December 31, 1999, to enter
19 into the DROP shall be governed by normal eligibility and duration
20 requirements described herein.

21 (8) A member may cease participating in the regular DROP prior to the
22 expiration of the agreed upon (not to exceed the maximum allowed)
23 DROP period only by terminating regular employment with the city. In the

1 event that a member participating in the DROP fails to terminate regular
2 employment on or before the conclusion of the DROP period, then the
3 member's monthly retirement benefit shall cease at the conclusion of the
4 DROP period until such time as the member terminates regular
5 employment. In the case of a reverse DROP, a member's employment
6 terminates simultaneously with commencement of participation in the
7 reverse DROP, which is 90 days after the member makes a declaration of
8 his/her intention to enter the reverse DROP.

- 9 (9) For members entering the regular DROP prior to July 10, 2007, during
10 such member's participation in the DROP, an amount equal to the
11 member's monthly retirement benefit shall be transferred to an account
12 within the plan designated by the member for investment. Such members
13 may direct their DROP money to any of the investment options offered by
14 the third party administrator approved by the board. Monthly retirement
15 benefits paid into DROP accounts shall be adjusted to take into account
16 any retiree cost-of-living adjustments available under the plan to retired
17 members. There shall be no guaranteed rate of investment return on these
18 DROP accounts. Upon transfer of the DROP money to the account
19 designated by the member, neither the city nor the board shall have any
20 obligation to the member concerning investment gains or losses. Transfers
21 between accounts shall be in accordance with the rules of the third party
22 administrator.

1 (10) Members entering a regular DROP or declaring his/her entry into a reverse
2 DROP on or after July 10, 2007 and before July 1, 2013 shall have his/her
3 monthly benefits accrue in the fund on behalf of the member, plus interest
4 at 5.5 percent compounded monthly on the prior months accumulated
5 ending balance up to the month of termination, or death, or established
6 termination date, whichever occurs first. If the plan's 2006-2007 assumed
7 rate of return of 8.5 percent changes, then the interest rate will be
8 prospectively adjusted from the date of the change to 65 percent of the
9 plan's new assumed rate of return compounded monthly on the prior
10 months accumulated ending balance up to the month of termination, or
11 death, or established termination date, whichever occurs first. A separate
12 accounting of each participant's accrued benefits shall be calculated and
13 provided to the participants annually. Monthly retirement benefits paid
14 into DROP accounts shall be adjusted to take into account any retiree cost-
15 of-living adjustments available under the plan to retired members.

16 (11) Members who are police officers entering a regular DROP or declaring
17 his/her entry into a reverse DROP on or after July 1, 2013 shall have
18 his/her monthly benefits accrue in the fund on behalf of the member, plus
19 interest at 4.5 percent compounded monthly on the prior months
20 accumulated ending balance up to the month of termination, or death, or
21 established termination date, whichever occurs first, except as otherwise
22 expressly provided for herein. Members who are police officers with 25
23 years of limited participant service on or before July 1, 2013 and declare

1 entry into a reverse DROP on or after July 1, 2013 shall have his/her
2 monthly benefits accrue in the fund on behalf of the member, plus interest
3 at 5.5 percent compounded monthly on the prior months accumulated
4 ending balance up to the month of termination, or death, or established
5 termination date, whichever occurs first so long as the effective date of the
6 reverse DROP is on or before July 1, 2013.

7 (14~~2~~) The decision to participate in the regular DROP is irrevocable once DROP
8 payments begin. Once the employee has completed participation in the
9 DROP, his/her regular employment will end and he/she shall be separated
10 from employment; this separation shall be processed as a voluntary
11 resignation.

12 (12~~3~~) Upon entry into the DROP, a member shall no longer be eligible for
13 disability benefits under the plan or the City of Gainesville Employees
14 Disability Plan. In the event of death during the DROP period or
15 thereafter, the member shall be presumed to have retired on a normal or
16 delayed retirement upon entry into the DROP for the purposes of
17 subsection 2-600(a)(3). Distribution from the DROP account shall be
18 made to the member, or in the case of the member's death, to the member's
19 designated beneficiary.

20 (13~~4~~) Upon the termination of a member's (who has entered a DROP) regular
21 city employment (for any reason, whether by retirement, resignation,
22 discharge or death), the retirement benefits payable to the member or to
23 the member's beneficiary (if the member selected an optional form of

1 retirement benefit which provides for payments to the beneficiary) shall be
2 paid to the member or beneficiary and shall not be deposited into the
3 member's deferred retirement option account or continue to accrue in the
4 plan. Following the termination of a member's regular employment, the
5 balance in the member's DROP account shall be payable in accordance
6 with options made available by the third party administrator, or in the case
7 of accounts accruing within the plan, distributed in accordance with the
8 rules of the plan. Regardless of the option selected by the member, the
9 board of trustees has the right to accelerate payments in order to comply
10 with Section 401(A)(9) of the Internal Revenue Code and the right to defer
11 payments to comply with Section 415 of the Internal Revenue Code.

12 (145) Nothing herein shall be construed to remove members who have entered
13 the DROP from the scope of § 8(d), Art. II of the State Constitution, and §
14 112.3173, subsection (5)(f). Members who commit a specified offense
15 while employed will be subject to forfeiture of all retirement benefits,
16 including DROP benefits, pursuant to those provisions of law.

17 (156) During regular DROP participation, a member shall be considered a
18 retiree with deferred receipt of benefits for all plan purposes. A member
19 who fails to terminate regular employment during or at the conclusion of
20 the regular DROP period shall be considered a retiree for all plan
21 purposes, except that the member shall not be entitled to receive, or defer
22 receipt of, monthly retirement benefits while continuing to remain
23 employed as a regular employee. For other purposes, the employee shall

1 be considered an active employee of the city entitled to all rights of
2 employment, except as otherwise provided.

3 **Section 3.** Section 2-607, Cost of living adjustment of benefits, of the Code of
4 Ordinances of the City of Gainesville, is amended as follows:

5 **Sec. 2-607. - Cost of living adjustment of benefits.**

6 (a) A retired member who was receiving on or before October 1, 1999, a monthly
7 normal, delayed or disability retirement benefit and is age 62 or older on or before
8 October 1, 1999, shall have his/her monthly retirement benefit adjusted by two
9 percent beginning with the benefit for the month of October, 1999 (which monthly
10 benefit is payable November 1, 1999). The monthly benefit payable to the retired
11 member or the retired member's beneficiary, as the case may be, shall be adjusted by
12 two percent each October thereafter for the duration of the annuity.

13 (b) A retired member who was receiving on or before October 1, 1999, a monthly
14 normal, delayed, or disability retirement benefit shall, upon the attainment of age 62
15 on or before October 1, have his/her monthly retirement benefit adjusted by two
16 percent, beginning with the benefit for the month of October (which monthly benefit
17 is payable in November) next following or coincident with (October 1 birthday) the
18 retiree's attainment of age 62. The monthly benefit payable to the retired member or
19 the retired member's beneficiary, as the case may be, shall be adjusted by two percent
20 each October thereafter for the duration of the annuity.

21 (c) Unless otherwise expressly provided for herein, a A retired member who first
22 receives a monthly normal or delayed (including DROP participants) retirement
23 benefit for October, 1999, or later (first payable November 1, 1999, or later) which

1 benefit is based upon 25 or more years of credited service shall, upon the attainment
2 of age 55 on or before October 1, have his/her monthly retirement benefit adjusted by
3 two percent, beginning with the benefit for the month of October next following or
4 coincident with (October 1 birthday) the retiree's attainment of age 55. The monthly
5 benefit payable to the retired member or the retired member's beneficiary, as the case
6 may be, shall be adjusted by two percent each October thereafter for the duration of
7 the annuity.

8 (d) Unless otherwise expressly provided for herein, a ~~A~~ retired member who first
9 receives a monthly normal or delayed retirement benefit for October, 1999, or later
10 (first payable November 1, 1999, or later) which benefit is based upon 20 or more
11 years of credited service but less than 25, or by retiring under the "Rule of 70" with
12 less than 20 years of service, shall, upon the attainment of age 62 on or before
13 October 1, have his/her next monthly retirement benefit adjusted by two percent
14 beginning with the benefit for the month of October next following or coincident
15 with (October 1 birthday) the retiree's attainment of age 62. The monthly benefit
16 payable to the retired member or the retired member's beneficiary, as the case may
17 be, shall be adjusted by two percent each October thereafter for the duration of the
18 annuity.

19 (e) A retired member who first receives a monthly disability retirement benefit on or
20 after October 1, 1999, shall, upon the attainment of age 62 on or before October 1,
21 have the next monthly retirement benefit adjusted by two percent beginning his/her
22 benefit for the month of October next following or coincident with (October 1
23 birthday) the retiree's attainment of age 62. The monthly benefit payable to the

1 retired member or the retired member's beneficiary, as the case may be, shall be
2 adjusted by two percent each October thereafter for the duration of the annuity.

3 (f) A retired member who was a police officer with less than 20 years of credited service
4 on or after July 1, 2013 or whose most recent appointment to employment with the
5 city as a police officer occurred on or after July 1, 2013 who first receives a monthly
6 normal or delayed retirement benefit (including DROP participants) for July 2013, or
7 later (first payable August 1, 2013, or later) which benefit is based upon 25 or more
8 years of credited service shall, upon the attainment of age 55 on or before October 1,
9 have his/her monthly retirement benefit adjusted by one percent, beginning with the
10 benefit for the month of October next following or coincident with (October 1
11 birthday) the retiree's attainment of age 55. The monthly benefit payable to the
12 retired member or the retired member's beneficiary, as the case may be, shall be
13 adjusted by one percent each October thereafter for the duration of the annuity.

14 (g) A retired member who was a police officer with less than 20 years of credited service
15 on or after July 1, 2013 or whose most recent appointment to employment with the
16 city as a police officer occurred on or after July 1, 2013 who first receives a monthly
17 normal or delayed retirement benefit (including DROP participants) for July, 2013,
18 or later (first payable August 1, 2013, or later) which benefit is based upon 25 or
19 more years of credited service shall, upon the attainment of age 62 on or before
20 October 1, have his/her next monthly retirement benefit adjusted by two percent
21 beginning with the benefit for the month of October next following or coincident
22 with (October 1 birthday) the retiree's attainment of age 62. The monthly benefit
23 payable to the retired member or the retired member's beneficiary, as the case may

1 be, shall be adjusted by two percent each October thereafter for the duration of the
2 annuity.

3 (h) A retired member who was a police officer with less than 20 years of credited service
4 on or after July 1, 2013 or whose most recent appointment to employment with the
5 city as a police officer occurred on or after July 1, 2013 shall not receive a cost of
6 living adjustment if such a member retired under the “Rule of 70” on or after July 1,
7 2013 or if the member receives a retirement benefit based upon less than 25 years of
8 credited service.

9 **Section 4.** Section 2-608 of Chapter 2, Article VII, Division 8 of the Code of Ordinances
10 of the City of Gainesville is hereby created and added to read as follows:

11 **Sec. 2-608. - Supplemental Retirement Program for Police Officers.**

12 (a) Definitions. The following words and phrases used in this section shall have the
13 meanings set forth below, unless a different meaning is plainly required by the
14 context:

15 (1) Additional premium tax revenues means the premium tax revenues received
16 from the state pursuant to Section 185.10, Florida Statutes, in plan years
17 2001 through and including 2006 that exceeded \$485,156.16 annually; and
18 premium tax revenues received from the state pursuant to Section 185.10,
19 Florida Statutes, in plan years 2007 and thereafter that exceed \$558,361.13
20 annually.

21 (2) Annual allocation means the pro rata amount for each share eligible
22 member, calculated on an annual basis, of premium tax revenues received
23 from the state in plan years 2013 and thereafter pursuant to Section 185.10,

1 Florida Statutes, that exceed \$558,361.13, plus prior plan year forfeited
2 balances.

3 (3) Effective date means July 1, 2013, the date on which this supplemental share
4 program shall take effect.

5 (4) Forfeiture means the termination of a member's account, or eligibility for
6 annual or initial allocations, pursuant to Section 112.3173, Florida Statutes,
7 section 2-604, section 2-608(d)(3), or other forfeiture required by law, and
8 reversion of such funds to the plan.

9 (5) Initial allocation means the pro rata amount for each share eligible member,
10 calculated on an annual basis, of premium tax revenues received from the
11 state in each plan year 2001 through and including 2006 that exceeded
12 \$485,156.16, premium tax revenues received from the state in each plan
13 year 2007 through and including 2012 that exceeded \$558,361.13. Based on
14 the foregoing, the premium tax revenues available for pro rata distribution
15 for plan years 2001 through and including 2012 shall be as follows:

16 2001: \$47,489.07

17 2002: \$92,473.27

18 2003: \$128,534.50

19 2004: \$113,964.78

20 2005: 122,126.39

21 2006: \$147,619.49

22 2007: \$55,989.29

23 2008: \$83,458.87

1 2009: \$109,443.49

2 2010: \$55,897.01

3 2011: \$51,242.95

4 2012: \$41,547.90

5 Sum Total: \$1,049,787.01

6 (7) Member means any police officer who was or is in the regular, full-time
7 employ of the city on or after October 1, 2000.

8 (8) Premium tax revenue means the revenues received by the city from the tax
9 assessed on premiums collected on casualty insurance policies pursuant to
10 section 2-599(b)(2). Said tax is collected on policies issued in a calendar
11 year within the city and remitted to the state. Following an annual review
12 and approval of the consolidated plan by the state, said tax, less state fees, is
13 provided to the board, in approximately August or September of the
14 following calendar year.

15 (9) Retired means any member who is receiving a retirement benefit under
16 sections 2-600(a), (b), or (c), a member who met the conditions set forth in
17 section 2-601(b)(4) regardless of the form of benefit, or a member who died
18 in the line of duty, as defined and determined by the board, consistent with
19 Section 185.34, Florida Statutes, regardless of years of credited service, or
20 months of credited service in the plan year prior to death. A member
21 eligible for re-employment under USERRA who died while performing
22 qualified military services as defined in USERRA shall be deemed to have
23 retired on the day before he died regardless of years of credited service at

1 time of death. Members who are employed by the city and participants in
2 the deferred retirement option program (DROP) under the consolidated plan
3 are not considered retired for purposes of this section.

4 (10) Service credit rules shall mean the following:

5 a. Day of service shall mean each day for which a member is:

6 i. Paid, or entitled to payment, by the city for performance of
7 duties as a police officer;

8 ii. Paid, or entitled to payment, by the city on account of a
9 period of time during which no duties are performed as a
10 police officer (e.g., vacation, holiday, illness, incapacity,
11 layoff, jury duty, military duty or approved leave of
12 absence);

13 iii. Each day for which back pay as a police officer,
14 irrespective of mitigation or damages, has been either
15 awarded to or agreed to by the city; provided, however, that
16 the same day shall not be credited as a day of service more
17 than once.

18 b. Month of service shall mean a one-month period beginning on the day
19 of the month corresponding to a member's most recent date of
20 employment with the city as a police officer, during which the member
21 has earned at least ten days of service; provided however, that ten days
22 of service will be deemed to have been earned in each month of
23 service in which occurs;

- 1 i. An approved leave of absence, not to exceed 90 days,
2 authorized by the city, in accordance with a uniform policy
3 applied on a nondiscriminatory basis to all members
4 similarly situated; or
- 5 ii. Voluntary or involuntary service in the Armed Forces of
6 the United States for a period not greater than five years of
7 the time spent in the military service of the Armed Forces
8 of the United States shall be added to the years of actual
9 service, if: the member is in the city's active employ as an
10 eligible employee prior to such service and leaves such
11 position for the purpose of voluntary or involuntary service
12 in the Armed Forces of the United States; such member is
13 entitled to re-employment under the provisions of the
14 USERRA; and the member returns to his or her
15 employment as a police officer as an eligible employee
16 within one year from the date of his or her release from
17 such active service.
- 18 c. A member shall earn days or months of service for purposes of
19 calculating benefits due under the share program after entering in a
20 DROP.
- 21 d. If the employment of a member as a police officer with the city is
22 terminated, and such former member is subsequently re-employed by
23 the city as a police officer, the member's date of employment, for

1 purposes of determining credited service, shall be based on the
2 member's subsequent re-employment date as a police officer.

3 e. Credited service shall mean the aggregate number of months of service
4 with the city as a police officer, expressed in terms of full and
5 fractional year, subject to the following:

6 i. No additional months of service shall be credited for
7 unused sick leave.

8 ii. No member shall receive credit for years or fractional parts
9 of years of service if he or she has withdrawn his or her
10 contributions to the consolidated plan for those years or
11 fractional parts of years of service, even if the member
12 repays into the consolidated plan the amount he or she has
13 withdrawn, plus interest as determined by the board.

14 (11) Share eligible member means a member of the program who meets the
15 eligibility criteria set forth in section 2-608(c).

16 (12) Supplemental share program, share program, or program means the
17 Supplemental Retirement Program for Police Officers, as set forth in this
18 section, and as it may be amended from time to time in the future.

19 (b) Establishment. There is hereby created for the police officers of the city a program
20 to be known as the "Supplemental Retirement Program for Police Officers," also
21 referred to in this section as the "program," "supplemental share program," or "share
22 program." The creation and maintenance of the assets of the program, the benefits

1 provided for and the administration of the program shall be in accordance with the
2 provisions of this section.

3 (c) Eligibility.

4 (1) Eligibility to receive the initial allocation.

5 a. For members retired on or before the effective date to be eligible to
6 receive the initial allocation for each plan year from 2001 to 2012, an
7 individual must be a member of the program and must have:

8 i. Retired and terminated employment in connection therewith;

9 ii. Been employed by the city as a police officer for the entire plan
10 year.

11 b. For members employed by the city after the effective date to be
12 eligible to receive the initial allocation for each plan year from 2001 to
13 2012, an individual must be a member of the program and must have
14 been employed by the city as a police officer for the entire plan year.

15 (2) Eligibility to receive the annual allocation.

16 a. For retired members to be eligible to receive the annual allocation, an
17 individual must be a member of the program and must have:

18 i. Retired and terminated employment in connection therewith
19 prior to the actual receipt of premium tax revenues by the
20 board for the plan year; and

21 ii. Been employed by the city as a police officer for the entire plan
22 year.

1 b. For members employed by the city to be eligible to receive the annual
2 allocation, an individual must be a member of the program and must
3 have:

4 i. Been employed on the date the premium tax revenues are
5 received by the board for the plan year; and

6 ii. Been employed by the city as a police officer for the entire plan
7 year.

8 (3) Forfeiture. Members whose retirement benefits have been forfeited pursuant
9 to Section 112.3173, Florida Statutes, section 2-604, or any other law, and
10 members who terminate their employment with the city as a police officer
11 prior to the completion of at least ten years of credited service are not eligible
12 for any distributions or allocations under the share program.

13 (4) Re-employed retirees and recipients of termination benefits. A former
14 employee of the city receiving retirement or termination benefits from the
15 City of Gainesville Employees Disability Plan, the City of Gainesville
16 Employees Pension Plan, or retirement benefits or monthly termination
17 benefits under the consolidated plan may, upon becoming re-employed by the
18 city become a member of the share program, earn credited service, and
19 become entitled to receive a supplemental retirement benefit subject to the
20 following conditions:

21 a. Such member shall re-satisfy the eligibility requirements for
22 participation in this program.

- 1 b. No service for which credit was received, or which remained
2 unclaimed, at retirement or termination may be claimed or applied
3 toward service credit earned following renewed membership.
4 c. Such re-employed member shall not be entitled to purchase additional
5 credit for service performed prior to re-employment for which
6 retirement or termination benefits are being received.

7 (d) Funding and Benefits.

8 (1) Allocation of additional premium tax revenues.

9 a. Initial Allocation:

- 10 i. The board shall distribute the initial allocation to each share
11 program eligible member as described in section 2-608(e) based
12 upon his or her status as a share eligible member for each plan year
13 additional premium tax revenues were received by the board from
14 plan years 2001 to 2012.
15 ii. The board shall make the initial allocation within ninety (90) days
16 of the effective date.

17 b. Annual Allocation:

- 18 i. The board shall distribute the annual allocation to each share
19 program eligible member as described in section 2-608(e) based
20 upon his or her status as a share eligible member for each plan year
21 additional premium tax revenues are received by the board in plan
22 years 2013 and thereafter. If the board receives no additional
23 premium tax revenues or the administrative fees and expenses

1 exceed the additional premium tax revenues received, there shall
2 be no annual allocation to share eligible members.

3 ii. The board shall make the annual allocation no later than ninety
4 (90) days after its receipt of such additional premium tax revenues.

5 (2) City's contributions to the program. The city shall not be required to levy any
6 additional taxes on its residents or make any contributions to the supplemental
7 share program.

8 (3) Forfeiture. Members whose retirement benefits have been forfeited pursuant to
9 Section 112.3173, Florida Statutes, section 2-604, or any other law, and members
10 who terminate employment with the city as a police officer prior to the
11 completion of at least ten years of credited service shall not be deemed a share
12 eligible member for the purposes of any allocation or distribution under this
13 section and any amounts of additional premium tax revenues which otherwise
14 would be allocated shall revert to the plan and, after final resolution of all claims,
15 be included in the next annual allocation.

16 (4) Payment of costs, expenses and fees. All costs, expenses and fees of developing
17 and administering the supplemental share program shall be paid from the assets of
18 the share program in such fashion as the board shall reasonably determine. Any
19 direct distribution and any allocation to a share eligible member's account shall be
20 net of such member's pro rata portion of the share program's costs, expenses and
21 fees of administering the share program.

22 (e) Accounts; Distributions.

23 (1) Distributions to employee members.

- 1 a. For share eligible members who are employed by the city on or after
2 the effective date, initial and annual allocations shall be transferred to
3 individual accounts on behalf of the member in accordance with this
4 section. Members' share accounts shall annually be credited or
5 debited with gains or losses equal to the overall market rate of return
6 on investments of the consolidated plan, less any fees or expenses
7 related to administration of the share program, on or before December
8 31. Upon termination of a member's employment with the city as a
9 police officer and becoming retired under the consolidated plan in
10 connection therewith, the balance of the member's account shall be
11 paid to the member or member's beneficiaries in a single lump sum or
12 a member may elect a direct rollover as allowed in section 2-600(j).
13 Failure to make an election will result in the payment being made in a
14 lump sum.
- 15 b. After the completion of at least ten years of credited service, share
16 eligible members who are employed by the city may make a one-time,
17 irrevocable election, at the time and in the manner prescribed by the
18 board, to transfer the balance of their account to another account
19 within the plan designated by the member for investment. Such
20 members may direct their share money to any of the investment
21 options offered by the third party administrator approved by the board.
22 There shall be no guaranteed rate of investment return on these
23 accounts. Upon transfer of the share money to the account designated

1 by the member, neither the city nor the board shall have any obligation
2 to the member concerning investment gains or losses. Transfers
3 between accounts shall be in accordance with the rules of the third
4 party administrator.

5 c. Members who terminate their employment with the city as a police
6 officer prior to the completion of at least ten years of credited service
7 shall forfeit their share of any annual or initial allocation, shall not be
8 eligible for any distribution under this section, and their share shall
9 revert to the plan for pro rata allocation to eligible members during the
10 following plan year.

11 (2) Distributions to retired members. For share eligible members who are no longer
12 employed by the city at the time the board makes allocations, such members or
13 members' beneficiaries shall be paid in a single lump sum or a member may elect
14 a direct rollover as allowed in section 2-600(j). Failure to make an election will
15 result in the payment being made in a lump sum.

16 (f) Miscellaneous.

17 (1) City's responsibilities. The City shall have no responsibility for the operation of
18 the share program except those specified herein and shall bear no expense in
19 connection therewith.

20 (2) USERRA. Notwithstanding any provision of the program to the contrary,
21 contributions, benefits and service credit with respect to qualified military service
22 shall be provided in accordance with Section 414(u) of the Internal Revenue
23 Code.

