

ORDINANCE NO. 2013-05

AN ORDINANCE OF THE CITY OF MOUNT DORA, AMENDING CHAPTER 70, PERSONNEL, PART III, FIREFIGHTERS' PENSION AND RETIREMENT SYSTEM, OF THE CITY OF MOUNT DORA CODE OF ORDINANCES; AMENDING SECTION 70.440 TO EXPAND THE BOARD'S INVESTMENT AUTHORITY; AMENDING SECTION 70.450 TO INCREASE THE MEMBER CONTRIBUTION; AMENDING SECTION 70.470 TO COMPLY WITH SENATE BILL 1128; ENACTING SECTION 70.471, TO CREATE A SHARE PLAN PURSUANT TO CHAPTER 175, FLORIDA STATUTES; PROVIDING FOR SEVERABILITY OF PROVISIONS; PROVIDING FOR ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Mount Dora Firefighters are presently provided pension benefits pursuant to Chapter 175, Florida Statutes and ordinances adopted by the City of Mount Dora;

WHEREAS, the City Council desires to amend the provisions of the Firefighters' Pension and Retirement System to comply with Senate Bill 1128 ("SB 1128") and Chapter 175, Florida Statutes; and

WHEREAS, the City Council and Local 3088 of the International Association of Fire Fighters agreed to a new collective bargaining agreement.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOUNT DORA, FLORIDA:

Section 1. That Chapter 70, Personnel, Firefighters Pension and Retirement System, of the City of Mount Dora Code of Ordinances is hereby amended by amending Section 70.440(b) to read as follows:

Sec. 70.440. - Powers and duties of board of trustees.

(a) The board of trustees established in section 70.430 may:

(2) Invest and reinvest the assets of the municipal firefighters' pension trust fund in:

- a. Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or a savings, building, and loan association insured by the Savings Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share

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Insurance Fund.

- b. Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States.
- c. Bonds issued by the State of Israel.
- d. Stocks, commingled funds administered by national or state banks, mutual funds or other investment vehicles approved by the board, and bonds or other evidences of indebtedness, provided that: the board shall develop and adopt a written investment policy statement setting forth permissible types of investments, goals and objectives of investments and setting quality and quantity limitations on investments in accordance with the recommendations of its investment consultants. The investment policy statement shall be periodically reviewed by the board and shall comply with Section 215.47, Florida Statutes.
 - ~~1. Except as provided in subsection 2., all individually held securities and all securities in a commingled or mutual fund or other investment vehicles approved by the board, must be issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia.~~
 - ~~2. Up to ten percent of the assets of the fund may be invested in foreign securities.~~
 - ~~3. The aggregate investment in any one issuing company shall not exceed five percent of the outstanding capital stock of that company; nor shall the aggregate of its investments in common stock, capital stock and convertible securities at cost exceed 60 percent of the assets of the fund.~~
 - ~~4. In the case of bonds only, the bonds must hold an investment grade rating by a major rating service.~~
- e. Real estate, provided the board shall not invest more than ~~ten~~ fifteen percent ~~at cost~~ of its assets in real property. The board may invest in real estate directly or through an investment vehicle approved by the board.
- f. Notwithstanding any limitation in prior city ordinances to the contrary, all monies paid into or held in the fund may be invested and reinvested in such securities, investment vehicles or property wherever situated and of whatever kind, as shall be approved by the board consistent with its written investment policy statement, including but not limited to common or preferred stocks, mutual funds, group trusts or other commingled investments, real estate, bonds, and other evidences of indebtedness or ownership.

Section 2. That Chapter 70, Personnel, Firefighters Pension and Retirement System, of the City of Mount Dora Code of Ordinances is hereby amended by adopting Section 70.450(2) to read as follows:

Sec. 70.450. - Creation and maintenance of firefighters' retirement fund.

The firefighters' retirement fund shall be created and maintained in the following manner:

- (2) By five and forty-nine one hundredths percent (5.49%) of the salary of each full-time or volunteer firefighter duly appointed and enrolled as a member of the fire department which shall be deducted by the city from the salary of the firefighter prior to the imposition of any taxes thereon and paid over to the board of trustees of the fund. Retroactive to December 7, 2012 the member contribution shall be increased to 5.99%. Effective October 1, 2013, the member contribution shall increase to 6.49%. Effective October 1, 2014 the member contribution shall increase to 6.99%. No firefighter shall have any right to the money so paid into fund except as provided in this part. The city shall properly account for separately those additions and accumulations properly attributable to accretions and earnings of the fund from pre-tax salary contributions and post-tax salary contributions.

Section 3. That Chapter 70, Personnel, Firefighters Pension and Retirement System, of the City of Mount Dora Code of Ordinances is hereby amended by revising Section 70.470(d) to read as follows:

Sec. 70.470. - Types of retirement.

(a) *Normal retirement.* Any firefighter who is participating in the firefighters' retirement fund of the city and who is eligible for benefits thereunder and who has attained the age of 50 years is eligible for normal retirement benefits upon the completion of ten years of credited service. The ten years of credited service requirement shall not apply to those employees employed as of May 20, 1997. Further, any firefighter who is participating in the firefighters' retirement fund and who is eligible for benefits thereunder and who has attained the age of 47 years is eligible for normal retirement benefits upon the completion of 25 years of credited service. In such event, payment of retirement shall be governed by the following:

- (1) The normal retirement date of each firefighter will be the first day of the month coincident with or next following the date on which he has completed ten years of creditable service and attained the age of 50 years or completed 25 years of creditable service and attained the age of 47 years. A firefighter who retires after his normal retirement date will, upon his actual retirement, be entitled to receive an additional retirement income to the date of his actual retirement.

- ~~(4) Notwithstanding anything herein to the contrary, the normal retirement age of 47 years of age upon the completion of 25 years of creditable service and the corresponding~~

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~~normal retirement date provision shall not become effective until such time as additional premium tax revenues become available to incrementally fund the minimum disability requirement, fund the enhanced death benefit for firefighters having at least ten years of credited service, and fund the change in normal retirement age, or until such time as the city council provides the funding necessary to make such changes.~~

(4) For all service earned on or after the effective date of the first collective bargaining agreement entered on October 1, 2012 (the "effective date"), compensation shall not include more than three hundred (300) hours of overtime per calendar year and shall also not include payments for accrued unused sick or annual leave. Provided however, in any event, accrued unused sick or annual leave accrued as of the effective date and attributable to service earned prior to the effective date, may still be included in credited service for pension purposes even if the payment is not actually made until on or after the effective date. In any event, with respect to unused sick leave and unused annual leave accrued prior to the effective date, credited service will include the lesser of the amount of sick or annual leave time accrued on the effective date or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement, regardless of whether the amount of sick or annual leave was, at some time prior to retirement, reduced below the amount on the effective date.

Section 4. That Chapter 70, Personnel, Firefighters Pension and Retirement System, of the City of Mount Dora Code of Ordinances is hereby amended by adopting Section 70.471, Share Plan, to read as follows:

Sec. 70.471. - Share Plan.

(a) Individual member accounts. A separate individual member account shall be established and maintained for each actively employed firefighter, including DROP participants.

(b) Share account funding.

(1) Each individual member account shall be credited with a share in accordance with the formula set forth in subsection (3) below of all available premium tax revenues.

(2) Available premium tax revenues shall be those moneys received pursuant to Chapter 175, which, according to the board actuary, have not been otherwise committed for benefits for city contributions.

(3) In addition, any forfeitures as provided in subsection (e) below shall be credited to the individual member accounts.

(c) Annual allocation of accounts.

(1) Moneys shall be credited to each individual member account in an amount directly

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proportionate to the number of pay periods for which the member or DROP participant was paid compared to the total number of pay periods for which all members and DROP participants were paid, counting the pay periods in the calendar year preceding the date for which Chapter 175, premium tax revenues were received.

(2) Each individual member account shall be adjusted to reflect the earnings or losses resulting from investment, as well as reflecting costs, fees and expenses of administration.

(3) The investment earnings or losses credited to or debited from the individual member accounts shall be in the same percentage as are earned or lost by the total investment earnings or losses of the retirement plan as a whole as reported by the fund's investment monitor/consultant less administrative expenses, unless the Board dedicates a separate investment portfolio for share accounts, in which case the investment earnings or losses shall be measured by the investment earnings or losses of the separate investment portfolio. The share accounts shall accrue in the retirement system on behalf of the member, plus earnings (losses) at the rate of investment return earned (or lost) on pension fund assets as reported by the fund's investment monitor/consultant for the period that the share account assets remain in the plan. Earnings are credited on a quarterly basis. Share account assets are commingled with the pension fund assets for investment purposes and are subject to payment of pro-rata share of the fund's administrative expenses.

(4) Costs, fees, and expenses of administration shall be debited from the individual member accounts on a proportionate basis, taking the cost, fees, and expenses of administration, multiplied by a fraction, the numerator of which is the total assets in all individual member accounts and the denominator of which is the total assets of the fund as a whole. The proportionate share of the costs, fees, and expenses shall be debited from each individual member account on a pro-rata basis.

(5) If the entire balance of an individual member account is withdrawn before September 30 of any year, there will be no adjustment made to that individual member account to reflect either investment earnings, losses, costs, fees, or expenses of administration.

(d) Eligibility for benefits. Any member or DROP participant who terminates employment shall, upon application filed with the Board, be entitled to be paid 100 percent of the value of their individual member account, provided the member is eligible to receive a pension pursuant to Sections 70.470 or 70.490, including a disability pension or pre-retirement death benefit.

(e) Forfeitures. Any member who has less than ten years of credited service and who is not eligible for payment of benefits pursuant to Section 70.470 shall forfeit his or her individual member account. The amounts credited to said individual member account shall be redistributed to the other individual member accounts as set forth in subsection (c)(1) above.

(f) Payment of benefits. Using a form prescribed by the Board, payment shall be a lump sum payment or, upon the written election of the member or DROP participant, payment may be made

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by rollover to another qualified plan.

(g) Death of a member. If a member or DROP participant dies and is eligible for benefits from the individual member account, the entire balance of the individual member account shall be paid in a lump sum to the member's beneficiaries.

(h) Administration and rulemaking. The Board shall have the authority to adopt administrative rules for purposes of administering this Section.

(i) Notwithstanding anything to the contrary, available premium tax revenue accumulated prior to adoption shall be allocated as follows: All members shall receive a pro-rata allocation of one share for each full year of employment with the City as a member of the Plan.

Section 5. As agreed between the City and Local 3088, all premium taxes held in reserve and identified in the December 10, 2012 actuarial study by Gabriel Roeder Smith & Company shall be paid into the share plan. ~~The City shall have access to all other premium tax revenues for purposes of funding the retirement system, in accordance the parties' agreement and with Chapter 175, Florida Statutes.~~

Stricken by
City Council on
May 7, 2013
Kevin John
City Clerk

Section 6. Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provision of application of this ordinance which can be given effect without the invalid provision or application.

Section 7. All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

Section 8. Effective Date. This ordinance shall take effect immediately upon its final adoption by the City Council.

PASSED AND ORDAINED this 7th ^{day} ~~duty~~ of May, 2013, by the City Council of the City of Mount Dora, Florida.



Mayor
City of Mount Dora

Attest:



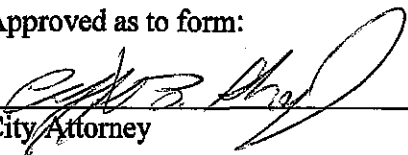
City Manager
City of Mount Dora



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First Reading April 11, 2013
Second Reading May 7, 2013

Approved as to form:



City Attorney

Coding: Words in ~~strikeout~~ type are deletions from existing text.
Words in underline type are additions.

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