

## **ORDINANCE NO. 2015 - 0718**

AN ORDINANCE OF THE CITY OF STARKE, AMENDING THE CITY OF STARKE POLICE OFFICERS RETIREMENT SYSTEM, CHAPTER 78, "PERSONNEL" ARTICLE IV, "CITY EMPLOYEE RETIREMENT SYSTEMS", DIVISION 2, "POLICE OFFICERS' RETIREMENT SYSTEM" AS AMENDED, BY ESTABLISHING SEC. 151 ENTITLED "SHARE ACCOUNTS," PROVIDING FOR CODIFICATION, SEVERABILITY, AND CONFLICTS; PROVIDING AN EFFECTIVE DATE.

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**WHEREAS**, the City of Starke has established a pension fund for its police officers pursuant to Chapter 185 Florida State Statutes, utilizing premium tax refund monies; and

**WHEREAS**, Chapter 185, Florida Statutes provides that the amount of premium tax refunds received in 1998 will serve as the original base amount, and that additional premium taxes must be used on an incremental basis to fund minimum benefits and then to fund extra benefits;

**WHEREAS**, the base amount of premium tax revenues received in 1998 was \$33,940.00; and

**WHEREAS**, additional benefits have been approved increasing the amount of premium tax revenues necessary to fund the minimum benefits and the additional benefits, raising the base amount to its current level of \$51,460.00; and

**WHEREAS**, by establishing a share plan any excess revenues will be distributed to eligible members without any additional liability to the City; and

**WHEREAS**, the members have voted to establish the share plan pursuant to F.S.S. 185.35; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY  
COMMISSION OF THE CITY OF STARKE:**

**Section 1.** Chapter 78, "Personnel" Article IV, "City Employee Retirement Systems", Division 2, "Police Officers' Retirement System" of the City Code of Ordinances of the City of Starke is hereby amended by establishing Sec. 151, "Share Accounts" as follows:

**Sec. 151. Share Accounts.**

(a) The purpose of this section is to implement the provisions of F.S. Ch. 185, and to provide a mechanism to pay required "Chapter 185 monies" to police officers and current and future retirees based on the growth of premium tax revenue pursuant to Chapter 185. The fund created by this section, hereinafter the Starke Police Officers' Trust Share Plan, shall be derived exclusively from monies received from the state and not from any additional taxes levied by the city and shall be in addition to and a complement of the police officer defined benefit pension paid by the City of Starke Police Officers' Retirement System. The share plan shall be administered by the Board of Trustees of the Starke Police Officers' Retirement System (hereinafter the "retirement system").

(b) In each year, after receipt of the annual distribution of chapter money from the state, the board of trustees shall determine the amount of premium tax revenues accrued by the city during the current fiscal year pursuant to F.S. 185.11, above the adjusted base amount of \$51,460.00. The sum of these amounts shall be known as the "funds in excess of the base amount." All funds in excess of the base amount, which have not been specifically allocated to a different benefit enacted hereinafter, will be known as "available funds." Allocation of shares shall be made within 30 days after approval by the board, or as soon as is practicable thereafter.

(c) The initial allocation of excess premium tax monies being held in reserve as of September 30, 2014, will be allocated to those active members eligible at the time the monies were earned, on a pro rata basis, determined by the amount of time the eligible member was employed as a full time police officer with the City of Starke. In the initial allocation, each retiree will receive a full share.

(d) An individual share account shall be established for each qualified participant. A qualified participant for purposes of the Share Plan will include active members, current retirees (including those in the DROP), beneficiaries of those members who are active on the effective date of this Ordinance and who receive a pre-retirement death benefit, and beneficiaries of deceased retirees on the effective date of this ordinance, and every person who becomes an active member or retiree or beneficiary of deceased retirees, thereafter. Available funds shall be allocated to each qualified participant in equal shares (provided, however, that the beneficiary of a deceased retiree will receive a share in the same ratio as the survivorship benefit is to the normal form of benefit). Available funds shall be allocated to each qualified participant by credit to the member's individual account. In order to be a qualified participant as an active member for purposes of this section, a person must be employed by the City of Starke as a Police officer on October 1 of the year for which the insurance premium rebate dollars are received. Available funds shall be allocated and paid directly to each retiree.

(e) All persons will vest in the share account after ten (10) years. If a person terminates employment or is terminated for any reason without vesting, the balance credited to that person's share account will be redistributed to other qualified participants of the fund, in equal amounts, as of the next allocation.

(f) Available funds shall be invested by the board of trustees and may be commingled for investment purposes with the other assets of the retirement system. The individual balances and earnings and expense charges for each participant in the share plan shall be clearly identified on the statements prepared by the plan administrator. The member's share account shall be credited with interest in an amount equal to 50 percent of the net (gross return minus investment expense) yearly interest earned by the retirement system for the preceding fiscal year, up to a maximum of four percent. If the net interest earned by the retirement system is zero percent or less, the member's share account will not be credited with interest, nor will it be debited with any investment losses.

Provided however, the first allocation will recognize earnings beginning on the day of the allocation. Interest will be credited to the account as soon as administratively practicable at the end of a calendar quarter. The City of Starke shall not incur any financial obligation in any manner relative to the share plan. The Board of Trustees may charge an administrative fee for the cost of administering the share accounts.

(g) Distributions from the share plan shall in no instance be made prior to separation from service with the City. Vested terminated members who leave their employee contributions in the Fund will not be eligible for additional shares until they begin receiving their monthly pension benefit. Vested terminated members who leave their employee contributions in the Fund are eligible to receive the balance in their share account when they start receiving their monthly pension benefit. Any member who withdraws his or her employee contributions shall forfeit all rights to their share account and all rights to receive a monthly pension benefit. The amount that had been credited to their share account will be redistributed to qualified participants in equal amounts. All distributions shall be made in accordance with the Internal Revenue Code and rules and regulations promulgated there under.

(h) The Board of Trustees shall be authorized to adopt any rules necessary for the efficient administration of the share accounts. The Board of Trustees shall adopt rules for the distribution of amounts credited to the share accounts when a person seeks a distribution and the balance of the share account for the previous quarter has not yet been determined. These rules may allow the Board of Trustees to retain a portion of the share account until the balance of the share account is determined. The rules may also allow the Board of Trustees to charge a fee for administration of the share accounts.

**Section 2.** It is the intention of the City Commission and it is hereby ordained that the provisions of this ordinance shall become and be made a part of the Code of Ordinances of the City of Starke, and the section of this ordinance may be renumbered to accomplish such intentions.

**Section 3.** All sections or parts of sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith be and the same, are hereby repealed to the extent of such conflict.

**Section 4.** Should any section or provision of this ordinance, or any paragraph, sentence or word be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder hereof, as a whole or part hereof, other than the part declared to be invalid.

**Section 5.** This Ordinance shall be effective upon its adoption.

PASSED AND ADOPTED ON FIRST READING THIS 2<sup>nd</sup> DAY OF  
February, 2014.

CITY COMMISSION OF THE  
CITY OF STARKE, FLORIDA

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Travis V. Woods, Mayor

Tommy Chastain, Commissioner  
Daniel W. Nugent, Commissioner  
Carolyn B. Spooner, Commissioner  
Wilbur Waters, Commissioner

Attest:

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Ricky Thompson, City Clerk