

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ORMOND BEACH, FLORIDA, FURTHER AMENDING ARTICLE III, FIREFIGHTERS' PENSION TRUST FUND, OF CHAPTER 16, PENSIONS AND RETIREMENT, OF THE CODE OF ORDINANCES; AMENDING SECTION 16-45, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 16-47, DISABILITY; AMENDING SECTION 16-70, SUPPLEMENTAL BENEFIT COMPONENT FOR SPECIAL BENEFITS; CHAPTER 175 SHARE ACCOUNTS; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF ORMOND BEACH, FLORIDA, THAT:

SECTION 1: Section 16-45, Benefit amounts and eligibility, of Article III, Firefighters' Pension Trust Fund, of Chapter 16, Pensions and Retirement, of the City of Ormond Beach, Florida, *Code of Ordinances*, is hereby further amended by amending subsections (c) *Early retirement date* and (f) *Required distribution date*, to read as follows:

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(c) *Early retirement date.* A member may retire on his early retirement date which shall be the first day of any month coincident with or next following the later of the attainment of age fifty (50) and the completion of ten (10) years of credited service. Early retirement under the system is retirement from employment with the city on or after the early retirement date and prior to the normal retirement date. If applying for disability pension benefits a member may concurrently apply for early retirement.

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(f e) *Required distribution date.* The member's benefit under this section must begin to be distributed to the member no later than April 1 of the calendar year following the later of the calendar year in which the member attains age seventy and one-half (70½) or the calendar year in which the member terminates employment with the city. A member otherwise eligible for early or normal retirement may begin service benefits pending disability adjudication.

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SECTION 2: Section 16-47, Disability, of Article III, Firefighters' Pension Trust Fund, of Chapter 16, Pensions and Retirement, of the City of Ormond Beach, Florida, *Code of Ordinances*, is hereby further amended by amending subsections (a) *Disability benefits in line-of-duty*, (c) *Disability benefits not in line-of-duty* and (f) *Disability payments*, to read as follows:

(a) *Disability benefits in line-of-duty.* Any member who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a firefighter, which disability was directly caused by the performance of his duty as a firefighter, shall, upon establishing the same to the satisfaction of the board, be entitled to a monthly pension equal to three and thirty-seven hundredths (3.37) percent of his average final compensation multiplied by the total years of credited service if he was hired prior to May 20, 2014 or two and seventy-five hundredths (2.75) percent multiplied by the total years of credited service if he was hired on or after May 20, 2014, but in any event the minimum amount paid to the member shall be forty-two (42) per cent of the average final compensation of the member. A disability application must be filed within thirty (30) days of termination or prior thereto. Terminated persons, either vested or nonvested, are not eligible for disability benefits. Notwithstanding the previous sentence, if a member is terminated by the city for

medical reasons, the terminated person may apply for a disability benefit if the application is filed with the board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the board otherwise determines that he is totally and permanently disabled as provided for above. If a member is eligible for early retirement, he may concurrently apply for and begin receiving early retirement benefits while the disability application is being processed. If the disability is granted the early retirement benefit will then convert to the disability retirement benefit effective on the date the disability is granted starting the beginning of the next month following the board's approval. If a member is not eligible for an early retirement benefit, their disability retirement benefit, if granted, shall be retroactive to the date of termination.

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(c) *Disability benefits not in line-of-duty.* Any member with ten (10) years or more credited service who shall become totally and permanently disabled to the extent that he is unable, by reason of a medically determinable physical or mental impairment, to render useful and efficient service as a firefighter, which disability is not directly caused by the performance of his duties as a firefighter shall, upon establishing the same to the satisfaction of the board, be entitled to a monthly pension equal to three and thirty-seven hundredths (3.37) percent of his average final compensation multiplied by the total years of credited service if he was hired prior to May 20, 2014 or two and seventy-five hundredths (2.75) percent multiplied by the total years of credited service if he was hired on or after May 20, 2014. Terminated persons, either vested or nonvested, are not eligible for disability benefits. Notwithstanding the previous sentence, if a member is terminated by the city for medical reasons, the terminated person may apply for a disability benefit if the application is filed with the board within thirty (30) days from the date of termination. If a timely application is received, it shall be processed and the terminated person shall be eligible to receive a disability benefit if the board otherwise determines that he is totally and permanently disabled as provided for above. If a member is eligible for early retirement, he may concurrently apply for and begin receiving early retirement benefits while the disability application is being processed. If the disability is granted the early retirement benefit will then convert to the disability retirement benefit effective on the date the disability is granted starting the beginning of the next month following the board's approval. If a member is not eligible for an early retirement benefit, their disability retirement benefit, if granted, shall be retroactive to the date of termination.

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(f) *Disability payments.* The monthly benefit to which a member is entitled in the event of the member's disability retirement shall be payable on the first day of the first month after the board of trustees determines such entitlement. However, the monthly retirement income shall be payable retroactively to as of the date the board determined such entitlement of the last payment from the city, and any portion due for a partial month shall be paid together with the first payment. The last payment will be:

- (1) If the retiree recovers from the disability, the payment due next preceding the date of such recovery, or
- (2) If the retiree dies without recovering from disability, the payment due next preceding his death or the one hundred twentieth (120th) monthly payment, whichever is later.

Provided, however, the disability retiree may select, at any time prior to the date on which benefit payments begin, an optional form of benefit payment as described in subsection 16-49(a)(1) or (a)(2) which shall be the actuarial equivalent of the normal form of benefit.

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SECTION 3: Section 16-70, Supplemental benefit component for special benefits; Chapter 175 share accounts, of Article III, Firefighters' Pension Trust Fund, of Chapter 16, Pensions and Retirement, of the City of Ormond Beach, Florida, *Code of Ordinances*, is hereby added, to read as follows:

Sec. 16-70. Supplemental benefit component for special benefits; Chapter 175 share accounts.

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(c) *Allocation of Monies to Share Accounts.*

(1) *Allocation of Chapter 175 Contributions.*

a. Effective as of September 30, 2015, the amount of any premium tax monies allocated to the share plan from 2006, 2007, 2008 and 2014 shall be allocated to individual member share accounts as provided for in this subsection. Members of the System in 2006, 2007, 2008 and 2014 still employed on December 9, 2015, including DROP participants shall receive equal amounts of State Monies available for the Share Plan for each year of membership. In addition, all premium tax monies allocated to the share plan in any subsequent plan year shall be allocated in a manner to be negotiated. Available premium tax monies shall be allocated to individual member share accounts at the end of each plan year on September 30 (a "valuation date").

b. On each valuation date, each current actively employed member of the plan not participating in the DROP, each DROP participant and each retiree who retires or DROP participant who has terminated DROP participation in the plan year ending on the valuation date (including each disability retiree), or beneficiary of a deceased member (not including terminated vested persons) who is otherwise eligible for an allocation as of the valuation date the end of the last quarter following termination shall receive a share allocation in a manner to be negotiated.

c. The total funds subject to allocation on each valuation date shall be allocated in a manner to be negotiated. Beneficiaries shall receive an allocation based on the years of credited service of the deceased member or DROP participant.

d. Re-employed retirees may receive an allocation in a manner to be negotiated.

(2) *Allocation of Investment Gains and Losses.* On each valuation date, each individual member share account shall be adjusted to reflect the net earnings or losses resulting from investments during the year. The net earnings or losses allocated to the individual member share accounts shall be the same percentage which is earned or lost by the total plan investments, including realized and unrealized gains or losses, net of brokerage commissions, transaction costs and management fees.

Net earnings or losses are determined as of the last business day of the fiscal year, which is the valuation date, and are debited or credited as of such date.

For purposes of calculating net earnings or losses on a member's share account pursuant to this subsection, brokerage commissions, transaction costs, and management fees for the immediately preceding fiscal year shall be determined for each year by the investment consultant pursuant to contracts with fund managers as reported in the custodial statement. The investment consultant shall report these annual contractual fees to the board. The investment consultant shall also report the net investment return for each manager and the net investment return for the total plan assets.

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(f) *Payment of Benefits.* If a member or DROP participant terminates employment for any reason or dies and he or his beneficiary is otherwise entitled to receive the balance in the member's share account, the member's share account shall be valued by the plan's actuary on the next valuation date as provided for in subsection (c) above the last quarter; following termination of employment. Payment of the calculated share account balance shall be payable as soon as administratively practicable following the valuation date, but not later than one hundred fifty (150) days following the valuation date end of the last quarter following termination and shall be paid in one lump sum payment. No optional forms of payments shall be permitted.

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SECTION 4: All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed to the extent of such conflict.

SECTION 5: If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

D **SECTION 6:** That this Ordinance shall become effective upon adoption.

PASSED UPON at first reading of the City Commission, this ____ day of _____, 2017.

PASSED UPON at the second an final reading of the City Commission, this ____ day of _____, 2017.

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EDWARD KELLEY
Mayor

ATTEST:

SCOTT MCKEE
City Clerk

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