

A BILL TO BE ENTITLED

AN ORDINANCE OF THE CITY OF NEPTUNE BEACH AMENDING CHAPTER 2, ADMINISTRATION, ARTICLE V, EMPLOYEE BENEFITS, DIVISION 4, POLICE OFFICERS' RETIREMENT SYSTEM, OF THE CODE OF ORDINANCES OF THE CITY OF NEPTUNE BEACH; AMENDING SECTION 2-346, MEMBERSHIP; AMENDING SECTION 2-347, BOARD OF TRUSTEES; AMENDING SECTION 2-349.5, OPTIONAL FORMS OF BENEFITS; AMENDING SECTION 2-349.15, DOMESTIC RELATIONS ORDERS; RETIREE DIRECTED PAYMENTS; EXEMPTION FROM EXECUTION, NONASSIGNABILITY; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEPTUNE BEACH, FLORIDA;

SECTION 1: That Chapter 2, Administration, Article V, Employee Benefits, Division 4, Police Officers' Retirement System, of the Code of Ordinances of the City of Neptune Beach is hereby amended by amending Section 2-346, Membership, to read as follows:

Sec. 2-346. Membership.

(a) *Conditions of eligibility.*

(1) All police officers as of the effective date, and all future new police officers, shall become members of this system as a condition of employment. Notwithstanding the previous sentence, the current police chief may, within three (3) months of the adoption of this provision and all future police chiefs may, within the first three (3) months of employment as police chief, notify the board and the City, in writing, of his election to not be a member of the system. In the event of any such election, he shall be barred from future membership in the system and any contributions made after employment and

prior to opting out shall be refunded. Thereafter, contributions to the system shall not be required, he shall not be eligible to be elected as a member trustee on the board or vote for a member trustee and shall not be eligible for any other benefits from the plan.

(2) All future new police officers shall be required to complete a medical examination as prescribed by the city.

(b) *Designation of beneficiary.* Each police officer shall complete a form prescribed by the board providing for the designation of a beneficiary or beneficiaries.

SECTION 2: That Chapter 2, Administration, Article V, Employee Benefits, Division 4, Police Officers' Retirement System, of the Code of Ordinances of the City of Neptune Beach is hereby amended by amending Section 2-347, Board of trustees, subsection (a), to read as follows:

(a) The sole and exclusive administration of and responsibility for the proper operation of the system and for making effective the provisions of this division is hereby vested in a board of trustees. The board is hereby designated as the plan administrator. The board shall consist of five (5) trustees, two (2) of whom, unless otherwise prohibited by law, shall be legal residents of the city, who shall be appointed by the Neptune Beach City Council, and two (2) of whom shall be members of the system, who shall be elected by a majority of the police officers who are members of the system. The fifth trustee shall be chosen by a majority of the previous four (4) trustees as provided for herein, and such person's name shall be submitted to the city council. Upon receipt of the fifth person's name, the city council shall, as a ministerial duty, appoint such person to the board as its fifth trustee. The fifth trustee shall have the same rights as each of the other four (4) trustees appointed or elected as herein provided and shall serve a two-year term unless he sooner vacates the office. Each resident trustee shall serve as trustee for a period of two (2) years, unless he sooner vacates the office or is sooner replaced by the city council at whose pleasure he shall serve. Each member trustee shall serve as trustee for a period of two (2) years, unless he sooner leaves the employment of the city as a police officer or

otherwise vacates his office as trustee, whereupon a successor shall be chosen in the same manner as the departing trustee. Each trustee may succeed himself in office. DROP participants can be elected as ~~and~~ but not vote for elected trustees. The board shall establish and administer the nominating and election procedures for each election. The board shall meet at least quarterly each year. The board shall be a legal entity with, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature, and description.

SECTION 3: That Chapter 2, Administration, Article V, Employee Benefits, Division 4, Police Officers' Retirement System, of the Code of Ordinances of the City of Neptune Beach is hereby amended by amending Section 2-349.5, Optional forms of benefits, subsection (a), to read as follows:

(a) In lieu of the amount and form of retirement income payable in the event of normal or early retirement as specified herein, a member, upon written request to the board, may elect to receive a retirement income or benefit of equivalent actuarial value payable in accordance with one (1) of the following options:

- (1) A retirement income of a monthly amount payable to the retiree for his lifetime only.
- (2) A retirement income of a modified monthly amount, payable to the retiree during the lifetime of the retiree and following the death of the retiree, one hundred (100) percent, seventy-five (75) percent, sixty-six and two-thirds ($66 \frac{2}{3}$) percent or fifty (50) percent of such monthly amount payable to a joint pensioner for his lifetime. Except where the retiree's joint pensioner is his spouse, the payments to the joint pensioner as a percentage of the payments to the retiree shall not exceed the applicable percentage provided for in the applicable table in the Treasury regulations.
- (3) If a member retires prior to the time at which social security benefits are payable, he may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as

possible, a more level retirement allowance during the entire period of retirement. The amounts payable shall be as recommended by the actuaries for the system, based upon the social security law in effect at the time of the member's retirement.

- (4). For members who do not participate in the DROP pursuant to Section 2-349.24, the member may elect a percentage of benefit in a lump sum as follows:
- a. Ten (10) percent lump sum benefit with ninety (90) percent paid under the normal form or as per (1), (2) or (3) above.
 - b. Fifteen (15) percent lump; sum benefit with eighty-five (85) percent paid under the normal form or as per (1), (2) or (3) above.
 - c. Twenty (20) percent lump sum benefit with eighty (80) percent paid under the normal form or as per (1), (2) or (3) above.
 - d. Twenty-five (25) percent lump sum benefit with seventy-five (75) percent paid under the normal form or as per (1), (2) or (3) above

SECTION 4: That Chapter 2, Administration, Article V, Employee Benefits, Division 4, Police Officers' Retirement System, of the Code of Ordinances of the City of Neptune Beach is hereby amended by amending Section 2-349.15, Domestic relations orders, retiree directed payments; exemption from execution, nonassignability; to read as follows:

Sec. 2-349.15. Domestic relations orders; retiree directed payments; exemption from execution, nonassignability.

- (a) *Domestic relations orders .*
- (1) Prior to the entry of any domestic relations order which affects or purports to affect the system's responsibility in connection with the payment of benefits of a retiree, the member or retiree shall submit the proposed order to the board for review to determine whether the system may legally honor the order.
- (2) If a domestic relations order is not submitted to the board for review prior to entry of the order, and the system is ordered to take action that it may not

legally take, and the system expends administrative or legal fees in resolving the matter, the member or retiree who submits such an order will be required to reimburse the system for its expenses in connection with the order.

(b) *Retiree directed payments.* The board may, upon written request by a retiree or by a dependent, when authorized by a retiree or the retiree's beneficiary, authorize the system to withhold from the monthly retirement payment those funds that are necessary to pay for the benefits being received through the city, to pay the certified bargaining agent of the city, to make payments to insurance companies for insurance premiums if permitted by Chapter 185, Florida Statutes, and to make any payments for child support or alimony.

(c) *Exemption from execution, non-assignability.* Except as otherwise provided by law, the pensions, annuities, or any other benefits accrued or accruing to any person under the provisions of this division and the accumulated contributions and the cash securities in the fund created under this division are hereby exempted from any state, county or municipal tax and shall not be subject to execution, attachment, garnishment or any legal process whatsoever and shall be unassignable.

SECTION 5: Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Neptune Beach.

SECTION 6: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

SECTION 7: 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.

SECTION 8: That this Ordinance shall become effective upon its adoption.

VOTE RESULTS OF FIRST READING:

Mayor Richard A. Brown.	Yes
Vice Mayor Harriet Pruette	Yes
Councilor Fred Lee	Yes
Councilor Eric Pardee	Yes
Councilor John Weldon	Absent

Passed on First Reading this 7th day of July, 2008.

VOTE RESULTS OF SECOND AND FINAL READING:

Mayor Richard A. Brown
Vice Mayor Harriet Pruette
Councilor Fred Lee
Councilor Eric Pardee
Councilor John Weldon

Passed on Second and Final Reading this day of , 2008.

Richard A. Brown
Mayor

ATTEST:

Lisa Volpe, CMC
City Clerk

Approved as to form and correctness:

Christopher A. White
City Attorney