

ORDINANCE NO. 2007-3

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORTH MIAMI BEACH, FLORIDA, AMENDING THE CITY OF NORTH MIAMI BEACH RETIREMENT PLAN FOR POLICE OFFICERS AND FIREFIGHTERS; ACCELERATING AND EXCEEDING THE ACTUARILLY MANDATED FUNDING LEVEL REQUIRED OF THE CITY OF NORTH MIAMI BEACH TO ACHIEVE A MINIMUM FUNDED LIABILITY OF 70% OVER THE NEXT SEVEN (7) YEARS AND TO MAINTAIN THAT MINIMUM THEREAFTER; COMMITTING TO A MINIMUM SUPPLEMENTARY CONTRIBUTION FOR SEVEN YEARS; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR THE CODIFICATION OF THIS ORDINANCE.

WHEREAS, the City of North Miami Beach has established a retirement plan for police officers and firefighters; and

WHEREAS, the City of North Miami Beach makes annual contributions to the plan, as required by Florida Statutes, to maintain the actuarial integrity of the plan; and

WHEREAS, the City of North Miami Beach desires to accelerate and exceed the normal actuarial amortization period contributions to achieve a minimum funded liability of 70% by the year 2014; and

WHEREAS, the City of North Miami Beach is committed to boosting the actuarial soundness of the Police Officers & Firefighters Retirement Plan by making supplemental contributions, as described herein, for a period of seven years, and thereafter as required; and

WHEREAS, the police participants of the Police Officers and Firefighters Retirement Plan overwhelmingly approved a plan amendment to achieve these goals in a ballot cast February 9-13, 2007; and

WHEREAS, the Mayor and City Council deem it in the best interest of the residents and citizens of the City of North Miami Beach to amend the Police Officers and Firefighters Retirement Plan to achieve the funding levels described herein.

NOW, THEREFORE,

BE IT ORDAINED by the City Council of the City of North Miami Beach, Florida.

Section 1. Article IV (a) of the City of North Miami Beach Retirement Plan for Police Officers and Firefighters is hereby amended as follows:

Section 4.02 Contributions

(a) City Contributions.

- (1) The City shall make contributions, together with the contributions of police officers, as are required by State Statute.
- (2) Supplemental contributions
 - a. In addition to the contributions required by state statute, the city shall make an annual supplemental contribution in the same manner and at the same time as the contribution required by state statute.
 - b. The supplemental contribution shall be calculated by the Plan's actuary as part of and shall be included in each of the Plan's annual actuarial valuations commencing with the valuation of October 1, 2006 (that will determine the City's contributions for the fiscal year starting October 1, 2007).
 - c. The supplemental contribution for each year shall be calculated using the same actuarial assumptions, cost methods, actuarial value of assets and actuarial accrued liability as are used in that year's annual valuation to determine the contribution required by state statute.
 - d. The supplemental contribution for each of the first seven years (i.e., the fiscal years beginning each October 1st in 2007, 2008, 2009, 2010, 2011, 2012, and 2013) shall be the greater of two hundred thousand dollars (\$200,000) per year or the amount determined by the actuary to be necessary so that the funded ratio of the Plan shall be seventy percent (70%) as of the October 1, 2013 actuarial valuation.
 - i. "Funded ratio" as used herein shall be defined as the actuarial value of assets divided by the actuarial accrued liability.
 - ii. The calculation of the funded ratio shall be in accordance with Government Accounting Standards Board (GASB) Statement number 25.
 - iii. If the funded ratio exceeds seventy percent before October 1, 2014, the minimum supplemental contribution of \$200,000 must still be made by the City, but shall be placed in a restricted reserve account, which shall not be included in calculating the funded ratio of the Plan, and which shall be drawn upon to meet the City's Supplemental Contribution requirement if said requirement exceeds \$200,000 in any year prior to 10/1/2014, and/or if the funded ratio of the Plan falls below 70% after 10/1/2014, as provided below.
 - a. Starting October 1, 2014 and each fiscal year thereafter, a supplemental contribution.
 - i. Shall be paid by the City if the actuarial valuation that determines that fiscal year's contribution shows a funded ratio of less than seventy percent (70%); and
 - ii. Shall be in the amount determined by the actuary to be necessary so that the funded ratio of the Plan shall be seventy percent (70%) as of the actuarial valuation three years hence.

Section 3. All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

Section 4. If any section, subsection, clause or provision of this ordinance is held invalid the remainder shall not be affected by such invalidity.

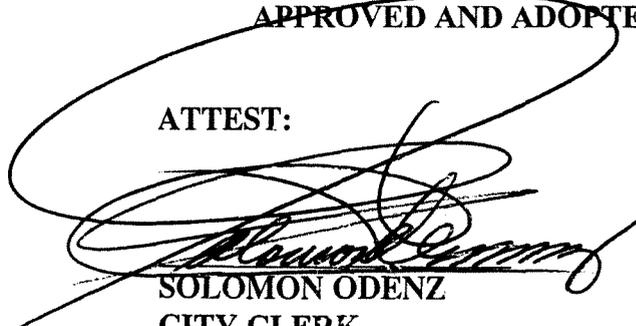
Section 5. It is the intention of the City Council of the City of North Miami Beach and it is hereby ordained that the provisions of this Ordinance shall become and be made a part of the Code

of Ordinances of the City of North Miami Beach, Florida. The Sections of this Ordinance may be renumbered or relettered to accomplish this intention and the word "Ordinance" may be changed to "Section", "Article" or other appropriate word as the codifier may deem fit.

APPROVED BY TITLE ONLY on first reading this **6th day of March, 2007.**

APPROVED AND ADOPTED on second reading this **10th day of April, 2007.**

ATTEST:

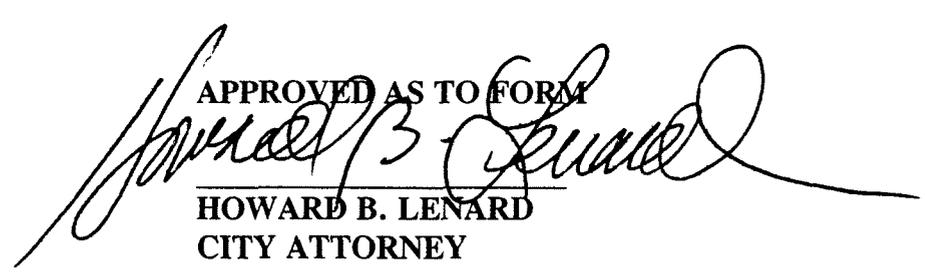


**SOLOMON ODENZ
CITY CLERK**

(CITY SEAL)



**RAYMOND F. MARIN
MAYOR**



APPROVED AS TO FORM
**HOWARD B. LENARD
CITY ATTORNEY**

Sponsored by: Mayor and City Council