

ORDINANCE NO. 94-30

AN ORDINANCE AMENDING THE GENERAL EMPLOYEES RETIREMENT PLAN OF THE CITY OF NORTH MIAMI BEACH, FLORIDA, INCREASING RETIREMENT BENEFITS FOR CITY EMPLOYEES; PROVIDING A 2.5% MULTIPLIER TO BE PHASED IN OVER THREE YEARS; PROVIDING FOR 100% VESTING AFTER 10 YEARS; PROVIDING A ONE-TIME 1% PER YEAR OF RETIREMENT INCREASE FOR CURRENT RETIREES; PROVIDING PERIODIC REVIEW FOR COST OF LIVING ADJUSTMENTS; PROVIDING BUY-BACK PROVISIONS; PROVIDING FOUR YEAR TERMS FOR ELECTED REPRESENTATIVES TO THE RETIREMENT COMMITTEE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HERewith; PROVIDING FOR SEVERABILITY; INCLUSION IN THE CODE AND AN EFFECTIVE DATE.

WHEREAS, the General Employees Retirement Committee, at its public meeting of May 19, 1994, have reviewed, approved and recommended for adoption, plan amendments which would increase the level of retirement benefits to 2.5% of average pay per year of service phased in over a three year period for participants retiring after September 30, 1994; and

WHEREAS, the General Employees Retirement Committee, at its public meeting of May 19, 1994 have reviewed, approved and recommended for adoption plan amendments which would provide a one time permanent increase of 1% per year retired in benefit levels for any plan participant who retired on or prior to September 30, 1994 as well as periodic review for future potential cost of living adjustments; and

WHEREAS, the General Employees Retirement Committee, at its public meeting of May 19, 1994 have reviewed, approved and recommended for adoption plan amendments which would provide for 100% vesting after ten years of service effective October 1, 1994; and

WHEREAS, an actuarial study done by Wyatt & Company of the increased benefit levels proposed indicates that such benefits are reasonable and feasible if the City of North Miami Beach commits to a level minimum percentage of pay contribution of 4% for fiscal year 1995, 5% for fiscal year 1996 and 6% for fiscal year 1997 and thereafter; and

WHEREAS, the Mayor and City Council deem it to be in the best interest of the residents and citizens of this City to maintain a stable and predictable level of contribution to the General Employees Retirement Fund for budgeting purposes while maximizing retirement benefits for City employees; and

WHEREAS, the General Employees Retirement Committee, at its public meeting of May 19, 1994, reviewed, approved and recommended for adoption, plan amendments which would allow participants to buy back up to a total of four (4) years for military time, other public service, or contract employment with the City of North Miami Beach, with the total cost of the buyback being paid by the employee/participant; and

WHEREAS, a study and report prepared by Wyatt & Company indicates that adoption of such buyback provisions providing for the entire cost to be borne by the participant would be at no cost to the City and would have no financial impact on the plan; and

WHEREAS, the General Employee Retirement Committee, at its public meeting of May 19, 1994, reviewed, approved and recommended for adoption a plan amendment changing the term of the elected employee representatives to the committee from two years to four years; and

WHEREAS, the Mayor and City Council, in Resolution No. R94-23 adopted on June 7, 1994, resolved to commit the City to a level minimum percentage of pay contribution in order to fund the proposed benefit improvements, subject to the required 75% vote of approval by the General Employees of the City; and

WHEREAS, more than 75% of the General Employees of the City approved the proposed amendments at an election held on July 20, 21 and 22 and officially tallied on July 26, 1994; and

WHEREAS, the Mayor and City Council of the City of North Miami Beach believe that the proposed uniform minimum level of contribution requested as well as the proposed buyback amendments and increased term for elected representatives are both reasonable and appropriate and in the best interests of the City's employees as well as its residents and citizens.

NOW, THEREFORE,

ORDINANCE NO. 94-30

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

Section 1. The foregoing recitals are true and correct.

Section 2. Article III, Membership, of the General Employees Retirement Plan is hereby amended by the addition of Section 3.05 Purchase of Credited Service, which shall state as follows:

Section 3.05 - Purchase of credited service

(a) Participants of the Plan shall have the option to receive credited service for all purposes of this Plan for the time while in the active United States military service under the following conditions. Participants who wish to receive credit for this service will be required to make a contribution for such service which will be sufficient to pay for the total cost of the additional service including any administrative costs associated with the purchase. Such amount shall be established by a formula and subject to payment methods determined by the Retirement Committee. Each participant shall make the irrevocable election within twenty-four (24) months of his date of hire by the City, but for current participants not later than November 30, 1994. If an election to purchase service is not received in this time period, no future election will be allowed. A Participant may purchase United States military service time in increments of six (6) months and up to a maximum of the lesser of four (4) years or the time of military service. Once a time period is chosen for purchase, the period cannot be adjusted. The purchase of military service is subject to the Retirement Committee's receipt of proof of the employee's military service.

(b) Participants of the Plan shall have the option to receive credited service for all purposes of this Plan, for periods of service with other public employers or for service with the City of North Miami Beach as a contract employee, under the following conditions. Participants who wish to receive credit for this service will be required to make a contribution for such service which will be sufficient to pay for the total cost of the additional service including any administrative costs associated with the purchase. Such amount shall be established by a formula and subject to payment methods determined by the Retirement Committee. Each participant shall make the irrevocable election within twenty-four (24) months of his date of hire by the City, or, in the case of a former City of North Miami Beach contract employee, of becoming a civil service employee, but for current participants not later than November 30, 1994. If an election to purchase service is not received in this time period, no future election will be allowed. A participant may purchase other public employer service time in increments of six (6) months and up to a maximum of the lesser of four (4) years or the number of full years of service with the other public employer or as a contract employee with the City of North Miami Beach. Once a time period is chosen for purchase, the period cannot be adjusted. The purchase of other public employer service time is subject to the Retirement Committee's receipt of proof of the employee's employment with the other public employer and participation in the other public employer's pension plan.

(c) Notwithstanding any other provision of paragraphs (a) and (b) of this section, the combined maximum number of years of credited service which a participant can purchase for periods of military service and periods of service with other public employers cannot exceed a total of four (4) years.

Section 3. Section 5.01(b) of Article V, Administration of Plan, of the General Employee Retirement Plan is hereby amended as follows:

Section 5.01 - Administration by Retirement Committee

(b) Election of Employee Members - Under (ii) above, the members of the

retirement committee will be elected by majority from the general employees.

Members from the elected groups will serve for a period of ~~two~~ four years.

Section 4. Section 6.01(c) of Article VI, Retirement Benefits, of the General Employees Retirement Plan is hereby amended as follows:

Section 6.01(c) - Amount of Retirement Income

(1) To participant who retires on or after normal retirement date:

/A/ The monthly amount of retirement income payable to a participant who retires on or after his normal retirement date shall be an amount equal to the sum of (i) and (ii) multiplied by (iii) where:

(i) is 1.75% (.0175) of the first \$400 of final monthly compensation;

(ii) is 2.25% (.0225) of final monthly compensation in excess of \$400; and

(iii) is years and completed calendar months of credited service.

The monthly amount of retirement income payable to a participant who retires on or after his normal retirement date shall be an amount as follows:

(i) for participants retiring on or before September 30, 1994: 1.75% (.0175) of the first \$400 of final monthly compensation plus 2.25% (.0225) of final monthly compensation in excess of \$400, with such sum multiplied by years and completed calendar months of credited service.

(ii) for participants retiring after September 30, 1994 but before October 1, 1995; 2.25% (.0225) of final monthly compensation multiplied by years and completed calendar months of credited service.

(iii) for participants retiring after September 30, 1995 but before October 1, 1996; 2.35% (.0235) of final monthly compensation multiplied by years and completed calendar months of credited service.

(iv) for participants retiring after September 30, 1996; 2.5% (.025) of final monthly compensation multiplied by years and completed calendar months of credited service.

Section 5. Section 6.02(b)(2) of Article VI, Retirement Benefits of the General Employees Retirement Plan is hereby amended as follows:

Section 6.02 - Early Retirement and Retirement Income.

(b)(2) Amount of Retirement Income.

/A/ The monthly amount of retirement income payable to a participant who retires prior to his normal retirement date under the provisions of this section shall be an amount equal to the product of (i) and (ii)

where:

- (i) is/any amount equal to/his number of years of credited service at his/early retirement date multiplied by the sum of (i) 1.75% (.0175) of the first \$400 of his final monthly compensation, and
- (ii) 2.25% (.0225) of that portion of his final monthly compensation in excess of \$400 as of such date is the actuarial reduction factor to take into account the participant's younger age at retirement and the earlier commencement of retirement income payments.

The monthly amount of retirement income payable to a participant who retires prior to his normal retirement date under the provisions of this section shall be an amount as follows:

- (i) for participants retiring on or before September 30, 1994: 1.75% (.0175) of the first \$400 of final monthly compensation plus 2.25% (.0225) of final monthly compensation in excess of \$400, with such sum multiplied by years and completed calendar months of credited service. This amount is multiplied by the actuarial reduction factor to reflect the early retirement age.
- (ii) for participants retiring after September 30, 1994 but before October 1, 1995; 2.25% (.0225) of final monthly compensation multiplied by years and completed calendar months of credited service. This amount is multiplied by the actuarial reduction factor to reflect the early retirement age.
- (iii) for participants retiring after September 30, 1995 but before October 1, 1996; 2.35% (.0235) of final monthly compensation multiplied by years and completed calendar months of credited service. This amount is multiplied by the actuarial reduction factor to reflect the early retirement age.
- (iv) for participants retiring after September 30, 1996; 2.5% (.025) of final monthly compensation multiplied by years and completed calendar months of credited service. This amount is multiplied by the actuarial reduction factor to reflect the early retirement age.

Section 6. Section 6.04(a) of Article VI, Retirement Benefits of the General Employees Retirement Plan is hereby amended as follows:

Section 6.04 - Benefits Other Than On Retirement

(a) Benefit on Termination of Service

- 1.1) ***Deferred Payment of Benefits*** - In the event of the termination of a participant's service prior to his normal retirement date, (for any reason other than his death) early retirement (as described in section 6.02) or disability retirement (as described in Section 6.03) after he has completed ten (10) years of credited service (hereinafter referred to as a "terminated participant"), he will be entitled to a monthly retirement income. The monthly income will be payable for 10 years

certain and life thereafter, and will commence on his normal retirement date, if he shall then be living, in an amount equal to the sum of (i) and (ii) multiplied by (iii) multiplied by (iv) where:

- (i) is 1.75% (.0175) of the first \$400 of final monthly compensation;
- (ii) is 2.25% (.0225) of the final monthly compensation in excess of \$400;
- (iii) is years and completed calendar months of credited service; and
- (iv) is the vested percentage as of the date of termination of service as shown in the schedule below:

<u>Credited Service as of Date of Termination of Service</u>	<u>Vested Percentage of Accrued Deferred Retirement Income</u>
Less than 10 years	0%
10 years but less than 11/	40%
11 years but less than 12/	46%
12 years but less than 13/	52%
13 years but less than 14/	58%
14 years but less than 15/	64%
15 years but less than 16/	70%
16 years but less than 17/	76%
17 years but less than 18/	82%
18 years but less than 19/	88%
19 years but less than 20/	94%
20 years or more	100%

(2) Vesting - Any participant who has both attained the age of 55 and completed 15 years of service shall be 100% vested.

(1) Deferred Payment of Benefits - In the event of the termination of a participant's service prior to his normal retirement date, (for any reason other than his death), early retirement (as described in Section 6.02) or disability retirement (as described in Section 6.03) after he has completed ten (10) years of credited service (hereafter referred to as a "terminated participant"), he will be entitled to a monthly retirement income. That monthly retirement income will be payable for 10 years certain and life thereafter, and will commence on his normal retirement date, if he shall then be living in an amount as follows, with such amount multiplied by the Vested Percentage described below:

- (i) for participants terminating on or before September 30, 1994: 1.75% (.0175) of the first \$400 of final monthly compensation plus 2.25% (.0225) of final monthly compensation in excess of \$400, with such sum multiplied by years and completed calendar months of credited service.
- (ii) for participants terminating after September 30, 1994 but before October 1, 1995; 2.25% (.0225) of final monthly compensation multiplied by years and completed calendar months of credited service.
- (iii) for participants terminating after September 30, 1995 but

before October 1, 1996; 2.35% (.0235) of final monthly compensation multiplied by years and completed calendar months of credited service.

(iv) for participants terminating after September 30, 1996; 2.5% (.025) of final monthly compensation multiplied by years and completed calendar months of credited service.

(2) Vesting

(i) The Vested Percentage for participants who terminate employment prior to October 1, 1994 will be 0% for those with less than 10 years of credited service, 40% for those with credited service of 10 years but less than 11, with 6% additional Vested Percentage for each year of credited service more than 10, with 100% Vested Percentage for 20 or more years of credited service.

(ii) The Vested Percentage for participants who terminate on or after October 1, 1994 will be 0% for those with less than 10 years of credited service and 100% for those with credited service of 10 years or more.

Section 7. Article VI, Retirement Benefits of the General Employees Retirement Plan is hereby amended by the addition of Section 6.10 which shall state as follows:

Section 6.10 - One Time Benefit Level Increase

(1) Each person who is receiving a monthly benefit payment of any type as of October 1, 1994 will receive a one-time permanent increase in monthly benefit equal to 1% for each full year from the date benefit payments began to October 1, 1994. This increase will be effective as of October 1, 1994.

(2) The Retirement Committee will review at least once every three years the financial condition of the Plan to determine whether it would be feasible to increase benefits to recognize changes in cost of living for participants then receiving retirement benefits. Based on its review, it will make recommendations to the City if increases may be made.

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

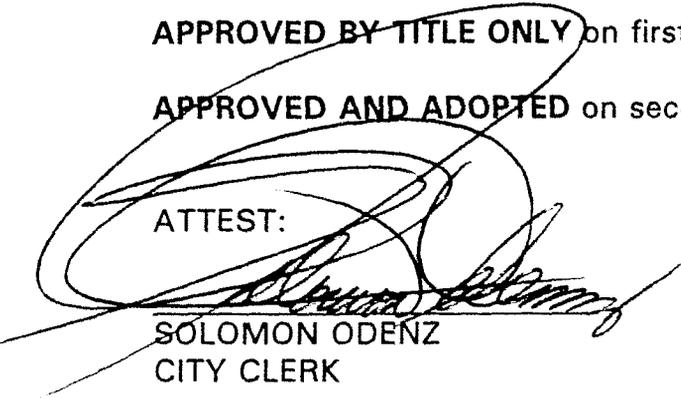
Section 4. If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

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 8th day of September 1994.

APPROVED AND ADOPTED on second reading this 22nd day of September 1994.

ATTEST:



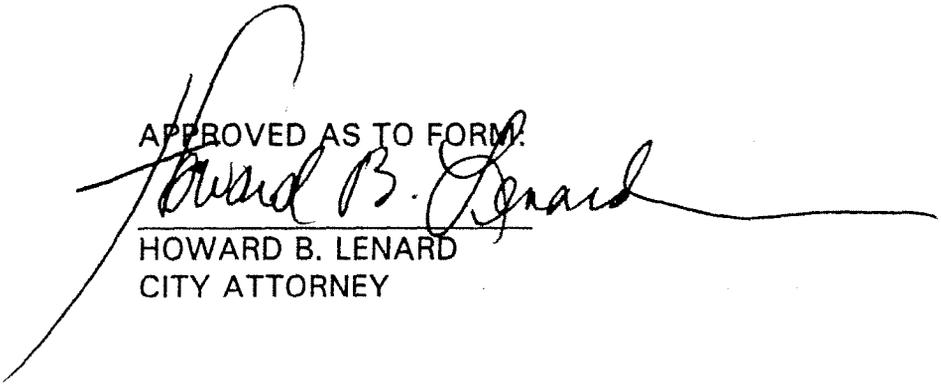
SOLOMON ODENZ
CITY CLERK

(CITY SEAL)



JEFFREY A. MISHCON
MAYOR

APPROVED AS TO FORM:



HOWARD B. LENARD
CITY ATTORNEY

SPONSORED BY: General Employees Retirement Committee
Mayor and City Council

NOTE: Underlining denotes additions and cross-outs denote deletions.