



CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE: 6/23/2009

SUBJECT: Pension Ordinance Amendment relating to the Fire and Rescue Pension Fund

DEPARTMENT: Human Resources 1700

2009-13

RECOMMENDED MOTION: To approve Ordinance No. _____ to extend a one-time option to members of the Fire and Rescue Pension Fund with 21 or more years of service to enter the BAC-DROP program as a retirement option.

SUMMARY: While continuing efforts are made to come to an agreement on the pension article for both the Commanders and the rank and file members, the Union does hereby agree to permit the City to extend the following option to its members on a one-time basis for those with 21 or more years of service: a BAC-DROP program as a retirement option, to be elected within thirty (30) days of execution of the enabling ordinance by the City approving this temporary change in the pension ordinance, also including a change in the definition of "credited service".

ATTACHMENTS: Ordinance Resolution Budget Resolution

Other Support Documents/Contracts Available for Review in Manager's Office

DEPARTMENT HEAD	<i>[Signature]</i> Robert Zicker, Human Resources Director	Date <i>6-16-9</i>
FINANCE DEPARTMENT	<i>[Signature]</i> Approved as to Budget Requirements	Date <i>6/16/09</i>
CITY ATTORNEY	<i>[Signature]</i> Approved as to Form and Legality	Date <i>6.15.09</i>
CITY MANAGER	<i>[Signature]</i> Approved Agenda Item For:	<i>6/23/09</i>

COUNCIL ACTION: Approved as Recommended Disapproved Tabled Indefinitely
 Continued to Date Certain Approved with Modification:

ORDINANCE NO. 2009- 13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PORT ORANGE, FLORIDA, AMENDING CHAPTER 54, ARTICLE IV, CODE OF ORDINANCES, CITY OF PORT ORANGE FLORIDA, ENTITLED FIRE AND RESCUE PENSION FUND; CREATING A NEW SUBSECTION (g) AT SECTION 54-100; PROVIDING A ONE-TIME OPTION FOR MEMBERS WITH MORE THAN 21 YEARS OF SERVICE TO PARTICIPATE IN A BAC-DROP PROGRAM; PROVIDING FOR RETIREMENT FOR THOSE MEMBERS WHO ELECT BAC-DROP AND HAVE MORE THAN 25 YEARS OF SERVICE; PROVIDING FOR CREDITING SERVICE AS A VOLUNTEER FIREFIGHTER FOR MEMBERS WHO ELECT THE BAC-DROP; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, under the current City of Port Orange Firefighters' Pension System, a member's election to participate in the Deferred Retirement Option Plan (DROP) must be made within 12 months following the date on which the member first became eligible for normal retirement; and

WHEREAS, the City and Union recognize that some long-term members of the System missed the opportunity to take part in the DROP program by not making a timely DROP election; and

WHEREAS, the City and Union have entered into a memorandum of understanding agreeing that the System be amended to allow members with more than 21 years of service with the City to voluntarily elect to participate in a BAC-DROP option on a one-time basis; and

WHEREAS, the City and Union have also agreed in the memorandum of understanding that members who elect the BAC-DROP option may include service as a volunteer firefighter in their credited service, with such service credited at one month of credited service for each complete year of volunteer service; and

WHEREAS, to implement the System changes contained in the memorandum of understanding, it is necessary to amend Article IV of the City Code, which contains the City of Port Orange Firefighters' Pension System; and

WHEREAS, for purposes of this Ordinance words with underlined (underlined) type shall constitute additions to the original text and words with strikethrough (~~strikethrough~~) type shall constitute deletions from the original text.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

Section 1. The City Council hereby amends the Fire and Rescue Pension Fund Ordinance by adding a new subsection (g) to Chapter 54, Article IV, Section 54-100 of the Code of Ordinances, City of Port Orange, Florida, to read as follows:

Sec. 54-100. Deferred retirement option plan.

(g) BAC-DROP Option.

(1) Members with more than 21 years of credited service with the city on the date this Ordinance is adopted may elect a "BAC-DROP" option within 30 days following the adoption of this Ordinance, in accordance with this subsection (g). For the purpose of this subsection (g), "credited service" shall include service as a volunteer firefighter, credited at one month of credited service for each complete year of volunteer service, notwithstanding any other provision of the system.

(2) Under the BAC-DROP, a member shall receive an immediate deposit into his/her DROP account of an amount equal to the benefit the member would have accrued in his/her DROP account if he/she had entered the DROP at the beginning of the BAC-DROP period, based on the member's years of credited service and average final compensation at that time, and calculated in accordance with the terms of the system at that time, however, with no interest or earnings calculated. If the member was first eligible to enter the DROP more than 60 months prior to the date of the BAC-DROP election, the BAC-DROP period shall be the 60 months (or a shorter period of complete months selected by the member) immediately preceding the BAC-DROP election date, and the member shall be required to immediately separate from City employment and retire. For example, a member with 28 years of credited service who elects to participate in the BAC-DROP could elect to receive an immediate deposit into his/her DROP account of an amount equal to up to 60 months of monthly pension benefits, and then immediately separate from City employment and retire. If the member was first eligible to enter the DROP less than 60 months prior to the date of the BAC-DROP election, the member may continue to participate in the DROP for up to the remainder

of the 60 month maximum BAC-DROP/DROP period. For example, a member with 22 years of credited service who elects to participate in the BAC-DROP would receive an immediate deposit into his/her DROP account of an amount equal to 24 months of monthly pension benefits, and could participate in the DROP for up to 36 months. The same monthly benefit will be deposited in the member's DROP account each month until the end of the DROP period, and the DROP account balance will, depending upon the election of the member, either earn interest or be credited or debited at a rate equal to the net rate of investment return realized by the retirement fund. A member who elects the BAC-DROP option and who has less than 25 years of service with the City will be required to separate from City employment and retire at the end of the BAC-DROP/DROP period, and in no event later than the member's 25th year of service.

(3) A member who elects the BAC-DROP option may select any form of distribution for the BAC-DROP payment that is provided in the section 54-100(d), and all other provisions of the DROP in effect at the time the member was first eligible to participate in the DROP program shall apply, except as provided above.

(4) A member who has 25 or more years of service as of September 30, 2009 and makes the BAC-DROP election will be required to separate from service and retire no later than September 30, 2009.

(5) The BAC-DROP option provided in this subsection (g) is a one-time, irrevocable option. Any member who is eligible for the BAC-DROP option who does not make a timely BAC-DROP election shall be deemed to have waived his/her right to participate in the DROP and BAC-DROP.

Section 2. The BAC-DROP option provided in section 54-100(g), above, shall not be available to any member who does not elect such option within 30 days following the adoption of this Ordinance.

Section 3. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared severable.

Section 4. This Ordinance shall be incorporated into the Code of Ordinances, City of Port Orange.

Section 5. This Ordinance shall become effective immediately upon

