

ORDINANCE NO. O-2020-XXX

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF OAKLAND PARK, FLORIDA, AMENDING THE CITY'S CODE OF ORDINANCES BY AMENDING THE CITY OF OAKLAND PARK, FLORIDA POLICE, FIREFIGHTERS AND PUBLIC SAFETY OFFICERS RETIREMENT SYSTEM; BY SPECIFICALLY AMENDING SECTION 9-63, ENTITLED "BENEFIT AMOUNTS AND ELIGIBILITY", SUBSECTION (2)(e), ENTITLED "CREATION OF A COST-OF-LIVING ADJUSTMENT (COLA) FUND", AND SUBSECTION (2)(f), ENTITLED "DISTRIBUTION OF BENEFITS; LIMITATIONS"; PROVIDING FOR THE TERMINATION AND LIQUIDATION OF THE 13TH CHECK COLA FUND AND BENEFIT FOR POLICE RETIREES; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; PROVIDING FOR CODIFICATION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Oakland Park ("City") presently provides pension benefits to its retired police personnel through the Police, Firefighters and Public Safety Officers Retirement System (the "Plan") pursuant to Chapter 185, Florida Statutes, and the Code of Ordinances of Oakland Park; and

WHEREAS, a cost of living adjustment ("COLA") benefit was created for Plan members, which was funded using 50% of the value of any annual actuarial gain, and intended to provide an annual benefit in the form of a thirteenth monthly pension payment (hereinafter "13th Check COLA"); and

WHEREAS, the Plan has been statutorily prohibited from paying police members (deputy sheriffs) the 13th Check COLA for almost 20 years because the present value of the benefit has exceeded the cumulative net actuarial experience of the Plan, and payment may only be made if the present value does not exceed the net actuarial experience from all sources of gains and losses; and

WHEREAS, because it unclear when the Plan will ever be able to resume paying the 13th Check COLA based on the net actuarial experience, the Plan's Board of Trustees has recommended liquidating the 13th Check COLA fund for retired police personnel, which has an accumulated balance of approximately \$983,626; and

WHEREAS, all retired police personnel unanimously provided written agreement to liquidate the 13th Check COLA fund in accordance with the terms herein; and

8 **NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY**
9 **OF OAKLAND PARK, FLORIDA THAT:**

11 **SECTION 1.** The foregoing "Whereas" clause is hereby ratified and confirmed as
12 being true and correct and is hereby made a part of this Ordinance.

14 **SECTION 2.** That Chapter 9, entitled “Pensions and Retirement,” of the Code of
15 Ordinances of the City of Oakland Park, Florida is amended to provide as follows:

Sec. 9-63. - Benefit amounts and eligibility.

19 (a) *Normal retirement.*

01 * * *

23 (2) *Normal retirement benefit.*

05 * * *

e. *Creation of a cost-of-living adjustment (COLA) fund; termination and liquidation of COLA fund for retired police officers*. Following the determination of actuarial gain, a fund is hereby created, within the assets of the retirement system, which shall consist of one-half (½) of the value of the actuarial gain. The remaining actuarial gain shall be used to reduce future costs of the retirement system. The COLA fund shall be co-mingled with other assets of the system but shall be measured for accounting purposes as a separate fund within the retirement system for the exclusive purpose of providing benefits under this section. No benefit may be paid from the COLA fund which exceeds the amount of annual income received by the fund. Notwithstanding the availability of funds, no benefit shall be paid from the fund in excess of the formula established in this subsection. Notwithstanding any other provision of the system, no actuarial gain or portion thereof shall be allocated to the COLA fund on or after March 1, 2013. Notwithstanding any other provision of the system, effective September 16, 2020, the COLA fund for retired police

officers created pursuant to this subsection shall be terminated and liquidated, with each retired police officer member or beneficiary receiving a one-time \$4,000 lump sum payment, and any remaining balance in the COLA fund for retired police officers following the one-time \$4,000 payment to retired police officers and beneficiaries shall be used to offset city pension contributions, as directed by the City.

- f. Distribution of benefits; limitations.* In any year in which the board determines that a distribution may be made in accordance with the provisions of this section, a cost-of-living benefit shall be paid in the form of a thirteenth monthly pension payment to each retiree or beneficiary. The payment shall be equal to three (3) percent of the annual retirement benefit multiplied by the number of years that the employee has been retired up to a maximum benefit equal to fifteen (15) percent of the member's annual pension payment. In the event that the available funds are less than the projected liability under the formula established in this section, the board of trustees may, in its exclusive discretion, decline to make any COLA payment for that year or make a lesser COLA payment based on a pro rata distribution of available funds. Notwithstanding any other provision of the system, firefighters hired on or after March 1, 2013 and firefighters who, on March 1, 2013 are not within seven (7) years of the normal retirement date provided in subsection (a)(1)a, shall not be eligible for the COLA benefit under this section. Notwithstanding any other provision of the system, effective September 16, 2020, the COLA benefit for retired police officers shall be terminated, with any remaining balance distributed in accordance with subparagraph (e) above.

* * *

SECTION 3. If any section, subsection, sentence, clause or provision of this Ordinance is held invalid, the remainder of this Ordinance shall not be affected by such invalidity.

SECTION 4. That all Ordinances or parts of Ordinances and all resolutions or parts of Resolutions in conflict with this Ordinance are repealed to the extent of such conflict.

SECTION 5. It is the intention of the City Commission of the City of Oakland Park, that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Oakland Park, Florida, and that the Sections of this ordinance may be renumbered, re lettered and the word "Ordinance" may be changed to "Section," "Article," or such other word or phrase in order to accomplish such intention.

SECTION 6. This Ordinance shall become effective immediately after final adoption the

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City Commission of the City of Oakland Park, on second reading except as otherwise specifically provided herein.

PASSED BY THE CITY COMMISSION OF THE CITY OF OAKLAND PARK, FLORIDA, ON FIRST READING, THIS 3rd DAY OF SEPTEMBER, 2020.

J. BOLIN	<u>YES</u>
M. CARN	<u>YES</u>
T. LONERGAN	<u>YES</u>
S. GUEVREKIAN	<u>ABSENT</u>
M. SPARKS	<u>YES</u>

PASSED AND ENACTED BY THE CITY COMMISSION OF THE CITY OF OAKLAND PARK, FLORIDA, ON SECOND READING, THIS ____ DAY OF _____, 2020.

CITY OF OAKLAND PARK, FLORIDA

MAYOR MATTHEW SPARKS

J. BOLIN	_____
M. CARN	_____
T. LONERGAN	_____
S. GUEVREKIAN	_____
M. SPARKS	_____

ATTEST:

RENEE M. SHROUT, CMC
CITY CLERK

LEGAL NOTE:

I hereby certify that I have approved the form of this Ordinance. (O-2020-XXX)

DONALD J. DOODY, CITY ATTORNEY

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