CITY OF SANIBEL
ORDINANCE 07-008

AN ORDINANCE OF THE CITY OF SANIBEL, FLORIDA AMENDING THE PROVISIONS OF THE CITY OF SANIBEL GENERAL EMPLOYEES' RETIREMENT PLAN BY AMENDING SECTION 50-101 OF THE SANIBEL CITY CODE, DEFINITIONS, CREDITED SERVICE; AMENDING ORDINANCE 04-013, AS AMENDED; PROVIDING FOR CODIFICATION, CONFLICT AND SEVERANCE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Sanibel presently contributes into defined contribution retirement plans for the City Manager and the City Attorney; and

WHEREAS, the City of Sanibel has entered into employment agreements with both the City Manager and City Attorney in which the City will cease contributing to the defined contribution plans for the City Attorney and City Manager; and

WHEREAS, said employment agreements also provide that both the City Manager and City Attorney will become Plan A members of the General Employees' Retirement Plan, with the cost of the purchase of said credited service to be paid by the City; and

WHEREAS, the City Council of the City of Sanibel is desirous of putting into effect the retirement provisions of the employment agreements;

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Sanibel as follows:

SECTION 1. City of Sanibel Ordinance No. 04-013, as amended , Section 1, Article I, DEFINITIONS, *Credited Service,* and Article IV, Section 50-101, DEFINITIONS, *Credited Service,* are amended to provide as follows, with underlining showing additional language:

Credited Service means:

(a) Service by an employee of the City of Sanibel equal to the period of the date he or she started employment to the date of separation from service. Included within credited service are periods of service in the Armed Forces of the United States after City employment commences, provided that a) the participant is entitled to re-employment in accordance with the Uniform Services Employment and Re-employment Rights Act (USERRA) and the participant returns to City employment as an

employee within one year following the date of his or her military discharge or release from active service (except as otherwise may be permitted by USERRA). The maximum amount of credited service a participant may receive pursuant to military service under USERRA shall be five years; and (b) Former government or military service not included in (a) above. The total of military service and prior government service may not exceed more than five years. Before being credited with prior governmental service, the Board of Trustees must receive assurance that the employee will not receive a pension that is in whole or part based upon any service with respect to which the member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter 67, Title 10, United States Code. The price of determining the cost to purchase military time or governmental time must be paid for by the participant. The cost of purchasing the time must also be paid for by the participant. The plan permits and accepts payment for prior military service and government service from Internal Revenue Service 457, deferred compensation funds, as well as any defined contribution plan funds, as allowed by the Internal Revenue Service, on deposit in the employee's account. Employees are authorized to purchase prior government service no earlier than six months prior to a firmly established retirement date. Credited service as a result of purchase of military time or prior governmental employment time shall not count toward vesting.

(b) Former government or military service not included in (a) above. The total of military service and prior government service may not exceed more than five years. Before being credited with prior governmental service, the board of trustees must receive assurance that the employee will not receive a pension that is in whole or part based upon any service with respect to which the member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter 67, Title 10, United States Code. The price of determining the cost to purchase the time must also be paid for by the participant. Employees are authorized to purchase prior government service no earlier than six months prior to a firmly established retirement date. Credited service as a result of purchase of military time or prior government employment time shall not count toward vesting.

AUTHENTICATION:

Mick Denham, Mayor

Pamela Smith, City Clerk

Approved as to form: Kenneth B. Cuyler, City Attorney

Date 8/15/07

Vote of Council members:

Denham:	yea
Johnston:	yea
Jennings	yea
Pappas:	unexcused
Ruane:	yea

Date filed with the City Clerk: August 21, 2007

(c) The incumbent City Manager and incumbent City Attorney shall be granted credited service as a Plan A participant retroactive to the date they assumed their respective positions provided that they do not participate in any other pension plan offered by the City. The full cost of the purchase of this credited service shall be paid by the City. Credited service purchased pursuant to this provision shall count for vesting and benefit purposes.

SECTION 2. Conflict.

All ordinances or part of ordinances in conflict herewith shall be and the same are repealed. If any part of this ordinance conflicts with any other part, it shall be severed and the remainder shall have full force and effect and be liberally construed.

SECTION 3. Severance.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance, or application hereof, is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion or application shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion or application hereof.

SECTION 4. Effective date.

This Ordinance shall take effect immediately upon adoption and the amendment and provisions set forth herein shall be retroactive to October 1, 2006.

DULY PASSED AND ENACTED by the Council of the City of Sanibel, Florida, this ____ day of _____, 2007.

First Reading: July 19, 2007
Date of Publication: August 9, 2007
Second Reading: August 21, 2007

CITY OF SANIBEL

ORDINANCE 06-013

AN ORDINANCE AMENDING THE GENERAL EMPLOYEES' RETIREMENT PLAN PROVIDING FOR THE CREATION OF A COST OF LIVING ADJUSTMENT; PROVIDING FOR THE CREATION OF A DEFERRED RETIREMENT OPTION PROGRAM; PROVIDING FOR CODIFICATION; PROVIDING FOR REPEALER; PROVIDING FOR CONFLICT AND SEVERANCE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council has established a General Employees' Retirement Plan to provide for the future economic security of the City's general employees and which will serve as an incentive for the recruitment and retention of employees for the City of Sanibel; and

WHEREAS, public hearings have been held pursuant to Chapter 166, Florida Statutes; and

WHEREAS, the City Council has, prior to the final adoption of this Ordinance, reviewed the actuarial impact statements which set forth the costs to the City of this plan; and

WHEREAS, the City Council of the City of Sanibel determines that it is in the public interest to adopt the following Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SANIBEL, FLORIDA:

SECTION 1. The foregoing WHEREAS clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon adoption hereof.

SECTION 2. Section 4. Article IV of Ordinance 04-013, as restated, be and is hereby amended by adding paragraph (8) to read as follows:

ARTICLE 4.01 – RETIREMENT DATES AND BENEFITS

(8) Cost of Living Adjustment. Effective on adoption there shall be a Cost of Living adjustment for members retiring thereafter. The Cost of Living adjustment shall be calculated as a two and seventy-five hundreds percent (2.75%) increase to Normal and Early retirement benefit payments, to commence after receipt of thirty-six (36) monthly retirement payments and to continue for twenty-five years (25) thereafter or the length of the monthly retirement benefit period whichever is less.

The purpose of this section is to provide cost-of-living adjustments to the monthly benefits payable to members of this Plan who retire after adoption of this ordinance. Commencing on adoption of this ordinance, the monthly benefit of each future Normal and Early retirees, their beneficiaries and joint annuitants, excluding vested, terminated members and beneficiaries of pre-retirement deaths, shall be adjusted each October 1 after receipt of at least thirty-six (36) monthly retirement payments. The adjusted monthly benefit shall be the amount of the monthly benefit being received on September 30 immediately preceding the adjustment date plus an amount equal to 2.75 percent of the benefit.

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SECTION 3. Section 6, Article VI of Ordinance 04-013, as restated, be and is hereby amended by adding paragraph (d) to read as follows

SECTION 6.01- OPTIONAL FORMS OF BENEFITS

(d) Deferred Retirement Option Program - A Participant may enter into the deferred retirement option program (DROP), which program is to be created and administered by the Board of Trustees of the Plan, on the first day of any month upon or after attaining the assumed Normal Retirement Age as used in the Actuarial Valuation Report as used in the Actuarial Valuation of the Plan. The maximum duration of participation in the DROP shall not exceed sixty (60) months and participation will end if the employee resigns, dies or is terminated for just cause prior to completion of said sixty (60) months.

A Participant may participate in the DROP only once and after commencement in the DROP he or she shall not be eligible to be a contributing Participant of the Plan during such participation in the DROP.

Upon the effective date of the commencement of participation in the DROP, membership in the Plan shall terminate and neither employee nor employer contributions shall be payable. The employee contributions to the retirement plan, including those picked up by the employer shall cease. For purposes of this section, average monthly earnings and creditable service shall remain as they existed on the effective date of commencement of participation in the DROP. The monthly retirement benefits that would have been payable, had the Participant elected to cease employment and receive a service retirement allowance, shall be credited to a DROP account.

The DROP account shall earn interest as determined appropriate by the Board of Trustees, in the amount of six percent (6%) per annum, compounded monthly.

Upon termination of employment, a Participant in the DROP shall receive, at his or her option, a lump sum payment from the account equal to the payments to the account, plus earned interest, or an annuity based upon his or her account, or the Participant may elect any other method of payment if approved by the board of trustees to include direct trustee to trustee roll over to another qualified fund. The monthly benefits that were being paid into the fund during the period of DROP participation shall begin being paid to the retiree.

If a Participant dies during the period of participation in the DROP, a lump sum payment equal to his or her account balance shall be paid to the Participant's named beneficiary, or, if none, to his or her estate; in addition, any survivor benefits selected by the participant shall be payable, within ninety (90) days of notice of such death.

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SECTION 4. Code of Ordinances. This Ordinance shall be deemed to be an amendment to the Code of Ordinances of the City of Sanibel and it shall be recodified.

SECTION 5. Conflict. All ordinances and parts of ordinances in conflict herewith shall be and the same are hereby repealed. If any part of this ordinance conflicts with any other part, it shall be severed and the remainder shall have full force and effect and be liberally construed.

SECTION 6. Severance. If any section, subsection, sentence, clause, phrase, or portion of this ordinance, or application hereof, is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion of application shall

be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion or application thereof.

SECTION 7. Effective Date. This Ordinance shall take effect on adoption.

DULY PASSED AND ENACTED by the Council of the City of Sanibel, Lee County, Florida, this 17th day of October, 2006.

AUTHENTICATION:

Carla Brooks Johnston, Mayor

Pamela Smith, City Clerk

APPROVED AS TO FORM: Kenneth B. Cuyler, City Attorney

9/27/06
Date

October 03, 2006	First Reading
October 05, 2006	Publication Date
October 17, 2006	Second Reading

Vote of Council Members:

Johnston	yea
Denham	nay
Brown	yea
Jennings	yea
Rothman	nay

Date filed with the City Clerk: October 17, 2006

CITY OF SANIBEL
ORDINANCE 05-001

AN ORDINANCE OF THE CITY OF SANIBEL, FLORIDA, AMENDING ORDINANCE NO. 04-016, ARTICLE 1, DEFINITIONS, CREDITED SERVICE, OF THE CITY OF SANIBEL GENERAL EMPLOYEES' RETIREMENT PLAN.

WHEREAS, the City Council has previously adopted and amended the General Employees' Retirement Plan that authorized the purchase of prior government service; and

WHEREAS, the Sanibel City Council desires to establish the specific time period during which employees may purchase prior government service as set forth herein for participants in the City of Sanibel General Employees' Retirement Plan.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Sanibel as follows:

SECTION 1. The City of Sanibel General Employees' Retirement Plan is hereby amended to read as follows:

Section 1. Article I – DEFINITIONS, will read as follows:

***

Section 1. The following words and phrases, when used in this Plan, unless the context clearly indicates otherwise, shall have the following meanings:

***

CREDITED SERVICE means: (a) Service by an employee of the City of Sanibel equal to the period of the date he or she started employment to the date of separation from service. Included within credited service are periods of service in the Armed Forces of the United States after City employment commences, provided that a) the participant is entitled to re-employment in accordance with the Uniform Services Employment and Re-employment Rights Act (USERRA) and the participant returns to City employment as an employee within one year following the date of his or her military discharge or release from active service (except as otherwise may be permitted by USERRA). The maximum amount of credited service a participant may receive pursuant to military

service under USERRA shall be five years; and (b) Former government or military service not included in (a) above. The total of military service and prior government service may not exceed more than five years. Before being credited with prior governmental service, the Board of Trustees must receive assurance that the employee will not receive a pension that is in whole or part based upon any service with respect to which the member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter 67, Title 10, United States Code. The price of determining the cost to purchase military time or governmental time must be paid for by the participant. The cost of purchasing the time must also be paid for by the participant. The plan permits and accepts payment for prior military service and government service from Internal Revenue Service 457, deferred compensation funds, as well as any defined contribution plan funds, as allowed by the Internal Revenue Service, on deposit in the employee's account. ~~The Board of Trustees may adopt rules and regulations to effectuate the purchasing of credited service~~ Employees are authorized to purchase prior government service no earlier than six months prior to a firmly established retirement date. Credited service as a result of purchase of military time or prior governmental employment time shall not count toward vesting.

***

Section 2. Conflict.

All ordinances or part of ordinances in conflict herewith shall be and the same are repealed. If any part of this ordinance conflicts with any other part, it shall be severed and the remainder shall have full force and effect and be liberally construed.

Section 3. Severance.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance, or application hereof, is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion or application shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion or application hereof.

Section 4. Effective date.

This Ordinance shall take effect immediately upon adoption.

DULY PASSED AND ENACTED by the Council of the City of Sanibel, Lee County, Florida, this 1st day of March, 2005.

AUTHENTICATION:

MARTY HARRITY
Mayor

JUDITH A. ZIMOMRA
City Clerk

Approved as to form:

KENNETH B. CUYLER
City Attorney

Vote of Council members:

Harrity: excused
Walsh: yea
Brown: yea
Jennings: yea
Workman: yea

Date file with the City Clerk: March 7, 2005

CITY OF SANIBEL
ORDINANCE 04-016

AN ORDINANCE OF THE CITY OF SANIBEL, FLORIDA, AMENDING ORDINANCE NO. 04-113, ARTICLE 1, DEFINITIONS, CREDITED SERVICE, OF THE CITY OF SANIBEL GENERAL EMPLOYEES' RETIREMENT PLAN.

WHEREAS, the City Council has previously adopted a General Employees' Retirement Plan that authorized the purchase of prior military and municipal service; and

WHEREAS, the City of Sanibel City Council desires to extend the purchase of prior service for other governmental service as set forth herein for participants in the City of Sanibel General Employees' Retirement Plan.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Sanibel as follows:

SECTION 1. The City of Sanibel General Employees' Retirement Plan is hereby amended to read as follows:

Section 1. Article I – DEFINITIONS, will read as follows:

***

Section 1. The following words and phrases, when used in this Plan, unless the context clearly indicates otherwise, shall have the following meanings:

***

CREDITED SERVICE means: (a) Service by an employee of the City of Sanibel equal to the period of the date he or she started employment to the date of separation from service. Included within credited service is periods of service in the Armed Forces of the United States after City

employment commences, provided that a) the participant is entitled to re-employment in accordance with the Uniform Services Employment and Re-employment Rights Act (USERRA) and the participant returns to City employment as an employee within one year following the date of his or her military discharge or release from active service (except as otherwise may be permitted by USERRA). The maximum amount of credited service a participant may receive pursuant to military service under USERRA shall be five years; and (b) Former ~~municipal~~ government or military service not included in (a) above. The total of military service and prior ~~municipal~~ government service may not exceed more than five years. Before being credited with prior governmental service, the Board of Trustees must received assurance that the employee will not receive a pension that is in whole or part based upon any service with respect to which the member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter 67, Title 10, United States Code. The price of determining the cost to purchase military time or ~~municipal~~ governmental time must be paid for by the participant. The cost of purchasing the time must also be paid for by the participant. The Board of Trustees may adopt rules and regulations to effectuate the purchasing of credited service. Credited service as a result of purchase of military time or prior ~~municipal~~ governmental employment time shall not count toward vesting.

***

Section 2. Conflict.

All ordinances or part of ordinances in conflict herewith shall be and the same are repealed. If any part of this ordinance conflicts with any other part, it shall be severed and the remainder shall have full force and effect and be liberally construed.

Section 3. Severance.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance, or application hereof, is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion or application shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion or application hereof.

Section 4. Effective date.

This Ordinance shall take effect immediately upon adoption.

DULY PASSED AND ENACTED by the Council of the City of Sanibel, Lee County, Florida, this 2nd day of November, 2004

AUTHENTICATION:

MARTY HARRITY
Mayor

JUDITH A. ZIMOMRA
City Clerk

Approved as to form:

KENNETH B. CUYLER
City Attorney

Vote of Council members:

Harrity:	yea
Walsh:	yea
Brown:	yea
Jennings:	yea
Workman:	yea

Date file with the City Clerk: November 8, 2004

CITY OF SANIBEL
ORDINANCE 04-013

AN ORDINANCE OF THE CITY OF SANIBEL, FLORIDA, AMENDING AND RESTATING THE TERMS OF THE CITY OF SANIBEL GENERAL EMPLOYEES' RETIREMENT PLAN; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Sanibel desires to provide general Employees a retirement Plan that is competitive with other governmental activities in the commuting area; and

WHEREAS, the City of Sanibel desires to enhance the benefits provided by the General Employees' Retirement Plan by allowing Employees to contribute to the Plan; and

WHEREAS, the City of Sanibel desires to allow members of the General Employees' Retirement Plan to purchase prior municipal and military service up to a maximum of five years; and

WHEREAS, the City of Sanibel City Council desires to restate the total terms of the City of Sanibel General Employees' Retirement Plan so that it is easily understood and more easily administered.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Sanibel as follows:

SECTION 1. The City of Sanibel General Employees' Retirement Plan is hereby amended to read as follows:

Section 1. Article I – DEFINITIONS, will read as follows:

Section 1. The following words and phrases, when used in this Plan, unless the context clearly indicates otherwise, shall have the following meanings:

ACCRUED BENEFIT means the amount of monthly retirement benefit on the Normal Form accrued by an Active Participant as of any date. See the ACCRUED BENEFIT SECTION OF Article IV.

ACTUARIAL EQUIVALENT means a benefit or amount of equal value, based upon the 1983 Group Annuity Mortality Table and an interest rate of seven and one-half (7.5) percent per annum.

ACTUARY means a Fellow or Associate of the Society of Actuaries or a firm employing one or more Fellows or Associates of the Society of Actuaries.

AVERAGE COMPENSATION means the average of an Employee's monthly COMPENSATION for all periods of employment as an Employee with the City for Plan B members and the monthly average of the highest consecutive five years of Compensation for Plan A members.

BENEFICIARY means the person or persons last designated by a Participant, by written notice filed with the Board of Trustees, to receive a Plan benefit upon his or her death. If a Beneficiary is no longer living when death benefits would otherwise become payable to him or her, they shall be paid to a Contingent Beneficiary designated by the Participant. Where no designated or Contingent Beneficiary is alive on the date for payment of benefits, they shall be paid to the Participant's estate.

BOARD OF TRUSTEES means the Board of Trustees as provided for in Section 8.

CITY means the City of Sanibel, Florida.

COMPENSATION means an Employee's fixed rate of pay from the City of Sanibel as determined on June 1st immediately after an Employee's hire date and on June 1st of each following year during which he/she is an Employee.

CONTINGENT BENEFICIARY means the person or persons last designated by a Participant, by written notice filed with the Board of Trustees, to receive a Plan benefit upon his or her death, or upon the death of a Beneficiary.

COUNCIL means the City Council of the City of Sanibel.

CREDITED SERVICE means: (a) Service by an Employee of the City of Sanibel equal to the period of the date he or she started employment to the date of separation from service. Included within Credited Service is periods of service in the Armed Forces of the United States after City employment commences, provided that the Participant is entitled to re-employment in accordance with the Uniform Services Employment and Re-employment Rights Act (USERRA) and the Participant returns to City employment as an Employee within one year following the date of his or her military discharge or release from active service (except as otherwise may be permitted by USERRA). The maximum amount of Credited Service a Participant may receive

pursuant to military service under USERRA shall be five years; and (b) Former municipal or military service not included in (a) above. The total of military service and prior municipal service may not exceed more than five years. The price of determining the cost to purchase military time or municipal time must be paid for by the Participant. The cost of purchasing the time must also be paid for by the Participant. The Board of Trustees may adopt rules and regulations to effectuate the purchasing of Credited Service. Credited Service as a result of purchase of military time or prior municipal employment time shall not count toward vesting.

EARLY RETIREMENT DATE means the date on which a Participant has attained age 55 and has completed five years of Credited Service.

EMPLOYEE means an individual who is employed as a regular, full-time Employee (52 weeks per year, 40 hours per week) by the City of Sanibel who is not a sworn police officer.

INACTIVE PARTICIPANT means a former Employee who was a Participant of the Plan and has vested and is not yet receiving benefits or a former Employee who was a Participant of the Plan and is receiving retirement benefits.

NORMAL FORM OF BENEFIT means a benefit payable for the lifetime of the Participant with a minimum of 120 monthly payments being made. If the Participant dies before he or she has received 120 monthly payments, the remaining payments shall be made to the Participant's Beneficiary or Contingent Beneficiary or, in the absence of a Beneficiary or Contingent Beneficiary, to the estate.

NORMAL RETIREMENT DATE means attaining of the age 65.

PARTICIPANT means an Employee who fulfills the prescribed participation requirements.

PLAN means the City of Sanibel General Employees' Retirement Plan.

PLAN A PARTICIPANT means a member who contributes five percent of base pay to the Plan and whose retirement benefit is based upon the highest consecutive five years of Compensation.

PLAN B PARTICIPANT means a member of the Plan who does not contribute to the Plan and whose retirement benefit is based upon career Average Compensation.

VESTING PERCENTAGE means the percentage used to determine that portion of a Participant's Accrued Benefit resulting from Employer Contributions, which is non-forfeitable (cannot be lost since it is vested).

A Participant's Vesting Percentage is shown in the following schedule opposite the number of whole years of his Vesting Service.

VESTING SERVICE (whole years)	VESTING PERCENTAGE
Less than 5	0
5 or more	100

TRUSTEE means a member of the Board of Trustees.

Section 2. Article II. PARTICIPATION shall read as follows:

Section 2.01. PARTICIPATION

(1). All Employees hired on or after the effective date of this Ordinance shall first become a Participant of Plan A on the date in which the Employee first becomes employed as a regular full-time Employee by the City of Sanibel.

(2) All Employees who are active Participants in this Plan on the day preceding the effective date of this Ordinance shall be deemed Plan B members unless, within sixty days of the date of this Ordinance, they elect to become members of Plan A.

(3) Employees who elect not to join Plan A will remain members of Plan B.

Section 2.02. INACTIVE PARTICIPANT

An Inactive Participant ceases to be an Inactive Participant upon:

(1) The date of death; or
(2) The date the Participant receives a single-sum distribution in lieu of benefits under the Plan.

Section 2.03 CESSATION OF PARTICIPATION

A Participant ceases to be a Participant in either Plan A or Plan B on the earlier of the following:

(1) The date of death; or
(2) The date the Participant becomes an Inactive Participant;
(3) The Participant ceases to be a regular full-time Employee of the City of Sanibel, or the Employee becomes a police officer of the City of Sanibel.

Section 3. Article III. CONTRIBUTIONS shall read as follows:

Section 3.01. EMPLOYER CONTRIBUTIONS.

The amount and time of Employer Contributions shall be determined based on actuarial valuations reported to the City Council.

Section 3.02. EMPLOYEE CONTRIBUTIONS

(1) There will be no Employee contributions for members of Plan B.

(2) Members of Plan A will contribute five (5) percent of base pay. The City shall pick up, rather than deduct, all regular contributions of members. The City shall derive pickup amounts from the same source of funds which is used in compensating members of the Plan and shall do so by reducing the earnable Compensation of each member. All pick up amounts shall be treated as employer contributions for the purposes of determining tax treatment under the Internal Revenue Code of 1954, as amended.

Section 3.03 REFUND OF EMPLOYEE CONTRIBUTIONS

A Participant who ceases to be a Participant of the Plan may obtain a refund of his/her contributions upon written request to the Board of Trustees.

Section 4. Article IV. RETIREMENT DATES AND BENEFITS shall read as follows:

Section 4.01. RETIREMENT DATES AND BENEFITS

(1) Normal Retirement Date - The normal retirement date is age 65.

(2) When Paid - The monthly retirement income payable in the event of normal retirement will be paid on the first day of each month. The first payment will be made on the first day of the month coincident with or next following the Participant's actual retirement.

(3) Normal Retirement Benefit - The annual retirement benefit shall be an amount equal to three percent of Average Compensation (as defined for Plan A and Plan B members) multiplied by the number of years of Credited Service, with a maximum of 30 years.

(4) Normal Form Benefit - A Participant retiring on normal retirement will receive a monthly benefit which will continue for his or her lifetime, and which is guaranteed for 120 monthly payments. If, after payments commence, the Participant dies before said 120 monthly payments are made, payments are then continued to his or her designated Beneficiary until 120 payments in all have been made, at which time benefits cease. In the event there is no living Beneficiary or Beneficiaries, or the Beneficiary dies before 120 payments have been made, the remaining payments will be paid to the Estate of the Participant.

(5) Early Retirement – A Participant with five years of Credited Service (vested) who has attained age 55 may retire on early retirement.

(6) Early Retirement Benefit - The early retirement benefit will be three percent for each year of service times Average Compensation as defined for a Plan A or Plan B member reduced by 2.5% per year for each year up to five years that Early Retirement Date precedes age 60. There is no reduction in benefits for retirees between the ages of 60 through 65.

(7) Late Retirement Benefit - The annual retirement benefit on late retirement shall be an amount equal to three percent of Average Compensation as defined for a Plan A and Plan B member multiplied by the number of years of Credited Service, with a maximum of 30 years.

Section 5.01. PRE-RETIREMENT DEATH BENEFIT

If a vested Participant dies while in the service of the City before he or she has taken early, normal or late retirement, the following death benefit will be paid:

A survivor annuity death benefit payable to the Beneficiary or Contingent Beneficiaries equal to one-half of the Accrued Benefit that would have been payable to the Participant if the Participant had retired on the date of his/her death and chosen the 100 percent joint and survivor option. In the absence of an election of an optional form of benefit, the benefit will be payable for the life of the Beneficiary.

Provided, however, if the vested Participant has not met the requirements for early retirement on the date the Participant dies, the survivor annuity death benefit will be payable to the spouse or Beneficiary on the first day of the month coincident with or following the date the Participant would have met the requirements for early or normal retirement and will continue as long as the Beneficiary lives.

Section 5.02 VESTED BENEFITS

A person vests in the retirement Plan, for purposes of receiving benefits, after five years of service. If an Employee's service with the City is terminated after five years of service, for reasons other than retirement or death, that Participant will be considered to have vested and to have earned a right to a retirement benefit. The retirement benefit will be the same as a normal retirement benefit and will be paid at the date the Participant would have reached normal retirement.

Section 6. Article VI. DISTRIBUTION OF BENEFITS shall read as follows:

Section 6.01. OPTIONAL FORMS OF BENEFIT

(a) In lieu of the Normal Form of Benefit, a Participant may choose a life annuity or a life annuity with a guaranteed number of payments, for five or fifteen years, or a joint and survivor annuity, in which 50%, 66 2/3% or 100% of the retirement benefit received by the Participant will be paid to a Beneficiary or Contingent Beneficiary or Beneficiaries, upon the death of the Participant during the lifetime of the Beneficiary or Beneficiaries.

(b) All elections under this section shall be in writing.

(c) A Participant may change his or her optional form of benefit at any time prior to receiving his or her first retirement check.

Section 6.02. ACTUARIAL EQUIVALENT

All optional forms of benefits will be actuarially equivalent to the Normal Form of Benefit.

Section 6.03. DESIGNATION OF BENEFICIARIES

(a) The Participant shall make designations of Beneficiaries called for in this section in writing. The Board of Trustees may require such individual to complete and sign any necessary documents in connection herewith.

(b) A Participant may elect a Beneficiary or Beneficiaries, either jointly or sequentially, or both, or a Contingent Beneficiary, either jointly or sequentially, or both, to receive benefits in the event of his or her death at any time. The Beneficiary or Contingent Beneficiaries may be changed by the Participant from time to time.

Section 6.04. ELECTION PROCEDURES

The Participant or Beneficiary shall make any election of optional form of benefit under this Article in writing. The Plan administrator may require such individual to complete and sign any necessary documents as to the provisions to be made.

If the Participant has not elected an optional form of distribution for the death benefit payable to his Beneficiary, the Beneficiary may, for his own benefit, elect the form of distribution, in a like manner as a Participant.

Section 7. Article VII. FINANCES AND FUND MANAGEMENT shall read as follows:

Section 7.01. OPERATION OF FUND

(1) All funds and securities of the system may be commingled in the fund, provided that accurate records are maintained at all times reflecting the financial composition of the fund; and

(2) receipts and disbursements; and

(3) benefit payments; and

(4) all interest, dividends and gains (or losses) whatsoever; and

(5) such other entries as may be properly required so as to reflect a clear and complete financial report of the fund.

Section 8. Article VII. POWERS OF THE BOARD OF TRUSTEES shall read as follows:

Section 8.01 The Board of Trustees shall have the following investment powers and authority:

(1) The Board of Trustees shall be vested with full legal title to said fund, subject however, and in any event, to the authority and power of the City Council to amend or terminate this trust, provided that no amendment or fund termination shall ever result in the use of any assets of this fund except for payment of regular expenses and benefits under this system. All contributions from time to time paid into the fund, and the income thereof, without distinction between principal and income, shall be held and administered by the Board or its agent in the fund and the Board shall not be required to segregate or invest separately any portion of the fund.

(2) The fund may be invested and reinvested in such securities or property, real or personal, wherever situated and of whatever kind, as shall be approved by the Board of Trustees, including but not limited to stocks, common or preferred, and bonds, and other evidences of indebtedness or ownership.

(3) The Board of Trustees may retain in cash and keep, unproductive of income, such amount of the fund, as it may deem advisable, having regard for the cash requirements of the system.

Section 8.02 - BOARD OF TRUSTEES, shall read as follows:

(1) The general administration and responsibility for the proper administration of the fund and for making effective the provisions of this section are hereby vested in a Board of Trustees consisting of seven (7) persons, as follows:

a. Two (2) members of the Board shall be elected by all the members of the City of Sanibel General Employees' Retirement Plan who are active Participants in the Retirement Plan.

(1) One (1) of these members shall have full-time tenure in the City's employ of 1 to 15 years; and
(2) The other member shall have full-time tenure in the City's employ of more than 15 or more years.
(3) Members elected to the Board shall be ratified by resolution of City Council.

b. One (1) member who shall be a Department Director who shall be appointed by the City Manager and ratified by resolution of City Council.

c. Three (3) members of the Board shall be appointed by City Council from applications submitted to the City of Sanibel.

d. The seventh (7th) member of the Board shall be chosen by the other six (6) Board members. Such member's name shall be submitted to the City Council, and as a ministerial duty, City Council shall appoint such member to the Board of Trustees.

(2) Terms of office: The initial term of office for the Department Director shall be three (3) years. The initial term of office for the member chosen by the other six members shall be three (3) years. The initial term of office for one (1) of the three (3) members appointed by the City Council from applications submitted to the City Council shall be three (3) years. The City Council shall designate which of its appointments is for a three (3) year term. The initial term of office for all other members shall be two (2) years. The initial term of office shall begin immediately after election and/or appointment and shall end on September 30, 2004 for those members serving an initial two (2) year term and shall end on September 30, 2005 for those members serving an initial three (3) year term. All terms of office thereafter shall be two (2) years, beginning on October 1 and ending on September 30.

(3) Notwithstanding the length of the terms of office as set forth above, all Trustees appointed by the City Council may be replaced during their term of office by the City Council, at whose pleasure they serve.

(4) Notwithstanding the terms of office as set forth above, all Trustees elected by the active Participants of the Plan, who leave the employment of the City of Sanibel during the term of office, will cease to be Trustees upon leaving the employ of the City of Sanibel.

(5) A Trustee may succeed himself or herself in office.

(6) Each Trustee who is elected or appointed, except for the Participant Trustees who have left the employ of the City of Sanibel, shall hold over until a successor is appointed and takes office.

If a successor does not take office upon the first day of the new term of office, the term of the person who is ultimately appointed to that position shall end two years from the date that the term would have begun, had a successor been appointed on the first day of the new term, which immediately preceded the actual appointment date.

(7) The Board shall establish and administer the election procedure for each election except for the initial election, which shall be administered by the City Manager.

(8) The Trustees shall, by majority vote, elect from their number a chair and a secretary. The secretary of the Board shall keep a complete minute book of the actions, proceedings or hearings of the Board.

(9) The Trustees shall serve without Compensation, but they may be reimbursed from the fund for all necessary expenses, which they may actually expend through service on the Board.

(10) Each Trustee shall, within ten (10) days after his appointment or election, take an oath of office before the City Clerk of the City, that he or she will diligently and honestly administer the affairs of the said board and that he or she will not knowingly violate or willingly permit to be violated any of the provisions of the law applicable to the system. Such oath shall be subscribed to by the members and certified by the said Clerk and filed in the office of the City Clerk.

(11) Each Trustee shall be entitled to one (1) vote on the Board. Four (4) affirmative votes shall be necessary for a decision by the Trustees at any meeting of the Board. The chairman shall have the right to one (1) vote only.

(12) Subject to the limitations of this section, the Board of Trustees shall from time to time establish uniform rules and regulations for the administration of funds created by this ordinance and for transaction of its business, including provisions for expulsion due to nonattendance of its members, which could result in a vacancy.

(13) The Board of Trustees shall engage such actuarial and other services as shall be required to transact the business of the retirement system. The Compensation of all persons engaged by the Board of Trustees and all other expenses of the Board necessary for the operation of the retirement system shall be paid at such rates and in such amounts, as the Board of Trustees shall agree. Funds may be disbursed by the City Finance Department or other disbursing agent as determined by the Board, but only upon written authorization by the Board of Trustees.

(14) The Board of Trustees shall meet at least quarterly each year. The Board of Trustees has authority to hire an attorney who is not the City Attorney.

(15) The duties and responsibilities of the Board of Trustees shall include, but not necessarily be limited by, the following:

a. To construe the provisions of the system and determine all questions arising thereunder.

b. To determine all questions relating to eligibility and participation.

c. To determine and certify amount of all retirement allowances or other benefits hereunder.

d. To establish uniform rules and procedures to be followed for administrative purposes, benefit applications and all matters required to administer the system.

e. To distribute, at regular intervals to Employees, information concerning the system.

f. To receive and process all applications for participation and benefits.

g. To authorize all payments whatsoever from the fund, and to notify the disbursing agent, in writing, of approved benefit payments and other expenditures arising through operation of the system and fund.

h. To have performed actuarial studies and annual actuarial valuations, and make recommendations to the City Council regarding changes in the provisions of the system.

i. To review reports of and have meetings with the custodian and investment agent or advisor; to require written reports from the custodian or fund assets and transactions on a quarterly or more frequent basis if deemed advisable by the Board; to require written and oral reports from the investment agent or advisor on at least a semi-annual basis, such reports to reflect fund investment performance, investment recommendations and overall review of fund investment policies.

j. To take all actions necessary for the proper operation of this fund and for making effective the provisions of this ordinance.

k. To make recommendations to the City Council concerning the operation of the City of Sanibel General Employees' Retirement Plan.

l. The Board of Trustees shall submit minutes of all meetings and an annual report to the City Council.

(16) In the event that any claim is denied, the Board of Trustees shall provide a written explanation of such denial to the members involved. At the request of the member, a full and fair review of such denial shall be held at the next regularly scheduled board meeting.

Section 9. Conflict.

All ordinances or part of ordinances in conflict herewith shall be and the same are repealed. If any part of this ordinance conflicts with any other part, it shall be severed and the remainder shall have full force and effect and be liberally construed.

Section 10. Severance.

If any section, subsection, clause, phrase or portion of this ordinance, or application hereof, is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion or application shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion or application hereof.

Section 11. Effective date. This Ordinance shall take effect January 3, 2005.

DULY PASSED AND ENACTED by the Council of the City of Sanibel, Lee County, Florida, this 21 day of September, 2004.

AUTHENTICATION:

MARTY HARRITY
Mayor

JUDITH A. ZIMOMRA
City Clerk

Approved as to form:

KENNETH B. CUYLER
City Attorney

Vote of Council members:

Harrity: yea
Walsh: yea
Brown: yea
Jennings: yea
Workman: yea

Date file with the City Clerk: September 29, 2004

CITY OF SANIBEL
ORDINANCE 03-006

AN ORDINANCE OF THE CITY OF SANIBEL, FLORIDA AMENDING ORDINANCE 02-05 CONCERNING THE CITY OF SANIBEL GENERAL EMPLOYEES' RETIREMENT PLAN BY AMENDING SECTION 9, "ELIGIBILE ROLLOVER DISTRIBUTIONS"; BY AMENDING THE DEFINITION SECTION TO CHANGE THE DEFINITION OF COMPENSATION TO COMPLY WITH THE INTERNAL REVENUE CODE; BY AMENDING THE DEFINITION SECTION TO CHANGE THE DEFINITION OF CREDITED SERVICE TO COMPLY WITH THE UNIFORM SERVICES EMPLOYMENT AND RE-EMPLOYMENT RIGHTS ACT; AND BY AMENDING SECTION 14, "MAXIMUM BENEFIT LIMITATION" TO COMPLY WITH RECENT CHANGES IN THE INTERNAL REVENUE CODE; PROVIDING FOR CONFLICT AND SEVERANCE AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, City of Sanibel Ordinance No. 02-05 restated the terms of the City of Sanibel General Employees' Retirement Plan; and

WHEREAS, Congress enacted and the President signed the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"); and

WHEREAS, EGTRRA includes numerous changes to qualified plan rules, some of which are applicable to public plans; and

WHEREAS, the EGTRRA amendments contained herein are intended as good faith compliance with the requirements of EGTRRA and are to be construed in accordance with EGTRRA and guidance issued thereunder; and

WHEREAS, the fund is in compliance with the Uniform Services Employment and Reemployment Rights Act ("USERRA"); and

WHEREAS, the Internal Revenue Code was amended to provide that compliance with USERRA would not disqualify plans; and

WHEREAS, the Internal Revenue Service has approved plan language in connection with compliance with USERRA;

NOW THEREFORE, be it ordained by the City Council of the City of Sanibel, Lee County, Florida, that Ordinance No. 02-05 be amended as follows, with underlined wording indicating additions:

Section 1. Article I, DEFINITIONS, Compensation is amended to provide as follows:

COMPENSATION means an employee's fixed rate of pay from the City of Sanibel as determined on June 1st immediately after an employee's hire date and on June 1st of each following year during which he/she is an employee. Salary in excess of limitations set forth in Section 401(a)(17) of the Internal Revenue Code shall be disregarded.

Section 2. Article I, DEFINITIONS, CREDITED SERVICE is amended to read as follows:

CREDITED SERVICE means service by an employee of the City of Sanibel equal to the period of the date he or she started employment to the date of separation from service. Included within credited service is periods of service in the Armed Forces of the United States after City employment commences, provided that a) the participant is entitled to re-employment in accordance with the Uniform Services Employment and Re-employment Rights Act (USERRA) the participant returns to City employment as an employee within one year following the date of his or her military discharge or release from active service (except as otherwise may be permitted by USERRA). The maximum amount of credited service a participant may receive pursuant to military service under USSERA shall be five years. Notwithstanding any provision of the Fund to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with the Internal Revenue Code, Section 414(u).

Section 3. Article IX, ELIGIBLE ROLLOVER DISTRIBUTION is hereby deleted in its entirety and is replaced by the following underlined wording:

DIRECT TRANSFERS OF ELIGIBLE ROLLOVER DISTRIBUTIONS

9.01 Rollover Distributions.

General. This Section applies to distributions made on or after January 1, 2002. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

9.02 Definitions.

a. Eligible Rollover Distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten (10) years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code and the portion of any distribution that is not includible in gross income. Any portion of any distribution which would be includible in gross income will be an eligible rollover distribution if the distribution is made to an individual retirement account described in section 408(a), to an individual retirement annuity described in section 408(b) or to a qualified defined contribution plan described in section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in

gross income and the portion of such distribution which is not so includible.

b. Eligible Retirement Plan: An eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, an eligible deferred compensation plan described in section 457(b) of the Code which is maintained by an eligible employer described in section 457(e)(1)(A) of the Code and which agrees to separately account for amounts transferred into such plan from this plan, an annuity contract described in section 403(b) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. This definition shall apply in the case of an eligible rollover distribution to the surviving Spouse.

c. Distributee: A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving Spouse is a distributee with regard to the interest of the Spouse.

d. Direct Rollover: A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

9.03 Rollovers or Transfers into the Fund.

On or after January 1, 2002, the Plan will accept, solely for the purpose of purchasing Credited Service if the purchase of Credited Service is allowed, permissible member requested transfers of funds from other retirement or pension plans, member rollover cash contributions and/or direct cash rollovers of distributions made on or after January 1, 2002, as follows:

a. Transfers and Direct Rollovers or Member Rollover Contributions from

Other Plans. The Plan will accept either a direct rollover of an eligible rollover distribution or a Member contribution of an eligible rollover distribution from a qualified plan described in section 401(a) or 403(a) of the Code, from an annuity contract described in section 403(b) of the Code or from an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. The Plan will also accept legally permissible Member requested transfers of funds from other retirement or pension plans.

b. Member Rollover Contributions from IRAs. The Plan will accept a Member rollover contribution of the portion of a distribution from an individual retirement account or annuity described in section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.

Section 4. Article XIV, MAXIMUM BENEFIT LIMITATION is hereby deleted in its entirety and is replaced by the following underlined wording:

14.01 MAXIMUM PENSION

Basic Limitation. Subject to the adjustments hereinafter set forth, the maximum amount of annual retirement income payable with respect to a Member under this Plan shall not exceed one hundred sixty thousand dollars ($160,000).

For purposes of applying the above limitation, benefits payable in any form other than a straight life annuity with no ancillary benefits (or if the employee contributes to the plan or makes rollover contributions) shall be adjusted, as provided by Treasury Regulations, so that such benefits are the Actuarial Equivalent of a straight life annuity. For purposes of this Section, the following benefits shall not be taken into account:

a. Any ancillary benefit which is not directly related to retirement income benefits;

b. Any other benefit not required under §415(b)(2) of the Code and Regulations thereunder to be taken into account for purposes of the limitation of §415(b)(1) of the Code.

14.02 Participation in Other Defined Benefit Plans.

The limitation of this Section with respect to any Member who at any time has been a member in any other defined benefit plan (as defined in §414(j) of the Code) maintained by the City shall apply as if the total benefits payable under all defined benefit plans in which the Member has been a member were payable from one (1) plan.

14.03 Adjustments in Limitations.

a. In the event the Member's retirement benefits become payable before age sixty-two (62), the one hundred sixty thousand dollar ($160,000) limitation prescribed by this Section shall be reduced in accordance with Regulations issued by the Secretary of the Treasury pursuant to the provisions of §415(b) of the Code, so that such limitation (as so reduced) equals an annual benefit (beginning when such retirement income benefit begins) which is equivalent to a one hundred sixty thousand dollar ($160,000) annual benefit beginning at age sixty-two (62).

b. The reductions provided for in a. above shall not be applicable to disability benefits or pre-retirement death benefits.

c. In the event the Member's retirement benefit becomes payable after age sixty-five (65), for purposes of determining whether this benefit meets the limitation set forth in Subsection 14.01 herein, such benefit shall be adjusted so that it is actuarially

equivalent to the benefit beginning at age sixty-five (65). This adjustment shall be made using an assumed interest rate of five percent (5%) and shall be made in accordance with regulations promulgated by the Secretary of the Treasury or his delegate.

d. The reductions provided for in a. above shall be applied separately with each change in the benefit structure to the extent provided for in Treasury Regulations.

14.04 Less than Ten (10) Years of Service.

The maximum retirement benefits payable under this Section to any Member who has completed less than ten (10) years of Credited Service with the City shall be the amount determined under Subsection 14.01 of this Section multiplied by a fraction, the numerator of which is the number of the Member's years of Credited Service (but no less than one) and the denominator of which is ten (10). The reduction provided for in this subsection shall not be applicable to disability benefits or pre-retirement death benefits.

14.05 Ten Thousand Dollar ($10,000) Limit.

Notwithstanding the foregoing, the retirement benefit payable with respect to a Member shall be deemed not to exceed the limitations set forth in this Section if the benefits payable, with respect to such Member under this Plan and under all other qualified defined benefit pension plans to which the City contributes, do not exceed ten thousand dollars ($10,000) for the applicable Plan Year and for any prior Plan Year and the City has not at any time maintained a qualified defined contribution plan in which the Member participated.

14.06 Reduction of Benefits.

Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the Member's benefit under any defined benefit plans in which Member participated, such reduction to be made first with respect to the plan in which Member

most recently accrued benefits and thereafter in such priority as shall be determined by the Board and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures for defined contribution plans in which the Member participated, such reduction to be made first with respect to the plan in which Member most recently accrued benefits and thereafter in such priority as shall be established by the Board and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the Board and the plan administrator of all other plans covering such Member.

14.07 Cost-of-Living Adjustments.

The limitations as stated in Subsections 14.01, 14.02, 14.03 and 14.06 herein shall be adjusted to the time payment of a benefit begins in accordance with any cost-of-living adjustments prescribed by the Secretary of the Treasury pursuant to §415(d) of the Code.

14.08 Additional Limitation on Pension Benefits.

Notwithstanding anything herein to the contrary:

a. The normal retirement benefit or pension payable to a Retiree who becomes a Member of the Plan and who has not previously participated in such Plan, on or after January 1, 1980, shall not exceed one hundred percent (100%) of his Average Final Compensation. However, nothing contained in this Section shall apply to supplemental retirement benefits or to pension increases attributable to cost-of-living increases or adjustments.

b. No Member of the Plan shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the Member is already receiving, or will receive in the future, a retirement benefit or pension

from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under Chapter 67, Title 10, U.S. Code.

Section 5. Conflict.

All ordinances or part of ordinances in conflict herewith shall be and the same are repealed. If any part of this ordinance conflicts with any other part, it shall be severed and the remainder shall have full force and effect and be liberally construed.

Section 6. Severance.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance, or application hereof, is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion or application shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion or application hereof.

Section 7. Effective date.

This Ordinance shall be effective September 30, 2003.

DULY PASSED AND ENACTED by the Council of the City of Sanibel, Lee County, Florida, this 3rd day of June 2003.

AUTHENTICATION:

Steve Brown
Mayor

City Clerk

APPROVED AS TO FORM: Kenneth B. Cuff 5/12/03
City Attorney Date

First Reading: May 20, 2003
Publication Date: May 22, 2003
Second Reading: June 03, 2003

Vote of Council members:

Brown: yea
Harrity: yea
Jennings: yea
Walsh: yea
Workman: yeA

Date filed with City Clerk: June 04, 2003

CITY OF SANIBEL
ORDINANCE 03-005

AN ORDINANCE OF THE CITY OF SANIBEL, FLORIDA, AMENDING ORDINANCE NO. 02-05 BY AMENDING SECTION 2.01, ENTITLED "PARTICIPATION MANDATORY" TO PERMIT THE CITY MANAGER AND CITY ATTORNEY, WITH CITY COUNCIL APPROVAL, TO PARTICIPATE, BUT NOT TO MANDATE PARTICIPATION, IN THE CITY OF SANIBEL GENERAL EMPLOYEES' RETIREMENT PLAN; PROVIDING FOR CONFLICT AND SEVERANCE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, City of Sanibel Ordinance No. 02-05 restated the terms of the City of Sanibel General Employees' Retirement Plan; and

WHEREAS, Section 2.01 of Ordinance No. 02-05 provides that all full-time employees must become members of the City of Sanibel General Employees' Retirement Plan; and

WHEREAS, the City Manager and the City Attorney, who are hired directly by the City Council, have entered into agreements concerning the terms and conditions of their employment with the City Council; and

WHEREAS, those terms and conditions of employment provide for participation by the City Manager and City Attorney in retirement plans other than the City of Sanibel General Employees' Retirement Plan; and

WHEREAS, the present practice is to allow the City Council to enter into agreements with the City Manager or City Attorney which do not require mandatory participation in the City of Sanibel General Employees' Retirement Plan;

NOW THEREFORE, BE IT ORDAINED, BY THE City Council of the City of Sanibel, Lee County, Florida, as follows, with underlined wording indicating additions:

SECTION 1. Section 2.01 of Ordinance 02-05, setting forth the City of Sanibel General Employees' Retirement Plan, is hereby amended to provide as follows:

Section 2.01. PARTICIPATION MANDATORY

(1) All employees, other than the City Manager and City Attorney, shall first become a participant on the date in which the employee first becomes employed as a regular full-time employee by the City of Sanibel. The City Attorney and City Manager will have the option to participate in this plan if they do not participate in any other pension plan offered through the City.

SECTION 2. Conflict.

All ordinances or part of ordinances in conflict herewith shall be and the same are repealed. If any part of this ordinance conflicts with any other part, it shall be severed and the remainder shall have full force and effect and be liberally construed.

SECTION 3. Severance.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance, or application hereof, is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion or application shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion or application hereof.

SECTION 4. Effective date.

This Ordinance shall take effect immediately upon adoption.

DULY PASSED AND ENACTED by the City Council of the City of Sanibel, Lee County, Florida, this 3rd day of June, 2003.

AUTHENTICATION:

Mayor

City Clerk

APPROVED AS TO FORM: Kenneth B. Cuff
City Attorney

Date 6/4/03

First Reading: May 20, 2003

Publication Date: May 20, 2003
Second Reading: June 03, 2003
Vote of Council members:

Brown:	yea
Harrity:	yea
Jennings:	yea
Walsh:	yea
Workman:	yea

Date filed with City Clerk: June 04, 2003

ORDINANCE 02-06

AN ORDINANCE OF THE CITY OF SANIBEL, FLORIDA, AMENDING ORDINANCE NO. 02-05, TO PROVIDE FOR ADMINISTRATION OF THE PLAN BY A BOARD OF TRUSTEES; SETTING FORTH THE SELECTION OF THE MEMBERS OF THE BOARD OF TRUSTEES; SETTING FORTH THE POWERS OF THE BOARD OF TRUSTEES; PROVIDING FOR CONFLICT AND SEVERANCE AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Sanibel has restated the terms of the City of Sanibel General Employees' Retirement Plan; and

WHEREAS, under that restatement, the City of Sanibel City Council remains the administrator of the retirement plan; and

WHEREAS, the City Council is desirous of turning over the administrative and fiduciary duties for operating the retirement plan to a Board of Trustees;

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Sanibel as follows:

Section 1 – Section 1. of Ordinance 02-05 is hereby amended to add the following definitions:

BOARD OF TRUSTEES means the Board of Trustees provided for in Section 8.

TRUSTEE means a member of the Board of Trustees.

Section 2 - DESIGNATION OF BENEFICIARIES (a) shall be amended to read

(a) The participant shall make designations of beneficiaries called for in this section in writing. The Board of Trustees may require such individual to complete and sign any necessary documents in connection herewith.

Section 3 - POWERS OF THE BOARD OF TRUSTEES shall be amended to read:

The Board of Trustees shall have the following investment powers and authority:

(1) The Board of Trustees shall be vested with full legal title to said fund, subject however, and in any event, to the authority and power of the City Council to amend or terminate this trust, provided that no amendment or fund termination shall ever result in the use of any assets of this fund except for payment of regular expenses and benefits under this system. All contributions from time to time paid into the fund, and the income thereof, without distinction between principal and income, shall be held and administered by the Board or its agent in the fund and the Board shall not be required to segregate or invest separately any portion of the fund.

(2) The fund may be invested and reinvested in such securities or property, real or personal, wherever situated and of whatever kind, as shall be approved by the Board of Trustees, including but not limited to stocks, common or preferred, and bonds, and other evidences of indebtedness or ownership.

(3) The Board of Trustees may retain in cash and keep, unproductive of income, such amount of the fund, as it may deem advisable, having regard for the cash requirements of the system.

Section 4 - BOARD OF TRUSTEES, shall be amended to read as follows:

(1) The general administration and responsibility for the proper administration of the fund and for making effective the provisions of this section are hereby vested in a Board of Trustees consisting of seven (7) persons, as follows:

1. Two (2) members of the Board shall be elected by all the members of the City of Sanibel General Employees' Retirement Plan who are active participants in the Retirement Plan.

   (a) One (1) of these members shall have full-time tenure in the City's employ of 1 to 15 years; and
   (b) The other member shall have full-time tenure in the City's employ of 15 or more years.

2. One (1) member who shall be a Department Director who shall be appointed by the City Manager.

3. Three (3) members of the Board shall be appointed by City Council from applications submitted to the City of Sanibel.

4. The seventh (7th) member of the Board shall be chosen by the other six (6) Board members. Such member's name shall be submitted to the City

Council, and as a ministerial duty, City Council shall appoint such member to the Board of Trustees.

(2) Terms of office: The initial term of office for the Department Director shall be three (3) years. The initial term of office for the member chosen by the other six members shall be three (3) years. The initial term of office for one (1) of the three (3) members appointed by the City Council from applications submitted to the City Council shall be three (3) years. The City Council shall designate which of its appointments is for a three (3) year term. The initial term of office for all other members shall be two (2) years. The initial term of office shall begin immediately after election and/or appointment and shall end on September 30, 2004 for those members serving an initial two (2) year term and shall end on September 30, 2005 for those members serving an initial three (3) year term. All terms of office thereafter shall be two (2) years, beginning on October 1 and ending on September 30.

(3) Notwithstanding the length of the terms of office as set forth above, all Trustees appointed by the City Council may be replaced during their term of office by the City Council, at whose pleasure they serve.

(4) Notwithstanding the terms of office as set forth above, all Trustees elected by the active participants of the Plan, who leave the employment of the City of Sanibel during the term of office, will cease to be Trustees upon leaving the employ of the City of Sanibel.

(5) A Trustee may succeed himself or herself in office.

(6) Each Trustee who is elected or appointed, except for the participant trustees who have left the employ of the City of Sanibel, shall hold over until a successor is appointed and takes office.

If a successor does not take office upon the first day of the new term of office, the term of the person who is ultimately appointed to that position shall end two years from the date that the term would have begun, had a successor been appointed on the first day of the new term, which immediately preceded the actual appointment date.

(7) The Board shall establish and administer the election procedure for each election except for the initial election, which shall be administered by the City Manager.

(8) The Trustees shall, by majority vote, elect from their number a chair and a secretary. The secretary of the Board shall keep a complete minute book of the actions, proceedings or hearings of the Board.

(9) The Trustees shall serve without compensation, but they may be reimbursed from the fund for all necessary expenses, which they may actually expend through service on the Board.

(10) Each Trustee shall, within ten (10) days after his appointment or election, take an oath of office before the City Clerk of the City, that he or she will diligently and honestly administer the affairs of the said board and that he or she will not knowingly violate or willingly permit to be violated any of the provisions of the law applicable to the system. Such oath shall be subscribed to by the members and certified by the said Clerk and filed in the office of the City Clerk.

(11) Each Trustee shall be entitled to one (1) vote on the Board. Four (4) affirmative votes shall be necessary for a decision by the Trustees at any meeting of the Board. The chairman shall have the right to one (1) vote only.

(12) Subject to the limitations of this section, the Board of Trustees shall from time to time establish uniform rules and regulations for the administration of funds created by this ordinance and for transaction of its business, including provisions for expulsion due to nonattendance of its members, which could result in a vacancy.

(13) The Board of Trustees shall engage such actuarial and other services as shall be required to transact the business of the retirement system. The compensation of all persons engaged by the Board of Trustees and all other expenses of the Board necessary for the operation of the retirement system shall be paid at such rates and in such amounts, as the Board of Trustees shall agree. Funds may be disbursed by the City Finance Department or other disbursing agent as determined by the Board, but only upon written authorization by the Board of Trustees.

(14) The Board of Trustees shall meet at least quarterly each year. The Board of Trustees has authority to hire an attorney who is not the City Attorney.

(15) The duties and responsibilities of the Board of Trustees shall include, but not necessarily be limited by, the following:

a. To construe the provisions of the system and determine all questions arising thereunder.

b. To determine all questions relating to eligibility and participation.

c. To determine and certify amount of all retirement allowances or other benefits hereunder.

d. To establish uniform rules and procedures to be followed for administrative purposes, benefit applications and all matters required to administer the system.

e. To distribute, at regular intervals to employees, information concerning the system.

f. To receive and process all applications for participation and benefits.

g. To authorize all payments whatsoever from the fund, and to notify the disbursing agent, in writing, of approved benefit payments and other expenditures arising through operation of the system and fund.

h. To have performed actuarial studies and annual actuarial valuations, and make recommendations to the City Council regarding changes in the provisions of the system.

i. To review reports of and have meetings with the custodian and investment agent or advisor; to require written reports from the custodian or fund assets and transactions on a quarterly or more frequent basis if deemed advisable by the Board; to require written and oral reports from the investment agent or advisor on at least a semi-annual basis, such reports to reflect fund investment performance, investment recommendations and overall review of fund investment policies.

j. To take all actions necessary for the proper operation of this fund and for making the effective the provisions of this ordinance.

k. To make recommendations to the City Council concerning the operation of the City of Sanibel General Employees' Retirement Plan.

l. The Board of Trustees shall submit minutes of all meetings and an annual report to the City Council.

(16) In the event that any claim is denied, the Board of Trustees shall provide a written explanation of such denial to the members involved. At the request of the member, a full and fair review of such denial shall be held at the next regularly scheduled board meeting.

Section 5. Conflict.

All ordinances or part of ordinances in conflict herewith shall be and the same are repealed. If any part of this ordinance conflicts with any other part, it shall be severed and the remainder shall have full force and effect and be liberally

construed.

Section 6. Severance.

If any section, subsection, clause, phrase or portion of this ordinance, or application hereof, is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion or application shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion or application hereof.

Section 7. Effective date. This Ordinance shall take effect immediately upon adoption.

DULY PASSED AND ENACTED by the Council of the City of Sanibel, Lee County, Florida, this 4th day of June, 2002.

AUTHENTICATION:

Mayor

City Clerk

APPROVED AS TO FORM: City Attorney 5/28/02 Date

Record of Council members vote:

Theiss	__Aye___
Walsh	__Aye___
Brown	__Aye___
Harrity	__Aye___
Workman	__Aye___

Date filed with City Clerk: __June 5, 2002__

First Reading:	_March 19, 2002
Publication Notice:	_March 21, 2002
Publication Notice:	_April 11, 2002
Publication Notice:	_May 2, 2002
Publication Notice:	_May 3, 2002
Second Reading:	_June 4, 2002

CITY OF SANIBEL
ORDINANCE 02 -05

AN ORDINANCE OF THE CITY OF SANIBEL, FLORIDA, RESTATING THE TERMS OF THE CITY OF SANIBEL GENERAL EMPLOYEES' RETIREMENT PLAN.

WHEREAS, the City Council has previously adopted a General Employees' Retirement Plan with the Principal Mutual Life Insurance Company, and

WHEREAS, June 30, 2001, the City of Sanibel terminated the contract with the Principal Financial Group; and

WHEREAS, the City of Sanibel General Employees' Retirement Plan Document, created by the Principal Financial Group, is difficult to understand and contains superfluous and obsolete material; and

WHEREAS, the City of Sanibel City Council is desirous of restating the terms of the City of Sanibel General Employees' Retirement Plan in a manner more easily understood and more easily administered; and

WHEREAS, in restating the plan, the City Council is desirous of maintaining the benefits that previously existed;

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Sanibel as follows:

SECTION 1. The City of Sanibel General Employees' Retirement Plan is hereby amended to read as follows:

Section 1. Article I – DEFINITIONS, will read as follows:

Section 1. The following words and phrases, when used in this Plan, unless the context clearly indicates otherwise, shall have the following meanings:

ACCRUED BENEFIT means the amount of monthly retirement benefit on the Normal Form accrued by an Active Participant as of any date. See the ACCRUED BENEFIT SECTION OF Article IV.

ACTUARIAL EQUIVALENT means a benefit or amount of equal value, based upon the 1983 Group Annuity Mortality Table and an interest rate of seven and one-half (7.5) percent per annum.

ACTUARY means a Fellow or Associate of the Society of Actuaries or a firm employing one or more Fellows or Associates of the Society of Actuaries.

AVERAGE COMPENSATION means the average of an employee's monthly COMPENSATION for all periods of employment as an employee with the City.

BENEFICIARY means the person or persons last designated by a participant, by written notice filed with the City Council, to receive a Plan benefit upon his or her death. If a beneficiary is no longer living when death benefits would otherwise become payable to him or her, they shall be paid to a contingent Beneficiary designated by the participant. Where no designated or contingent Beneficiary is alive on the date for payment of benefits, they shall be paid to the participant's estate.

CITY means the City of Sanibel, Florida.

COMPENSATION means an employee's fixed rate of pay from the City of Sanibel as determined on June 1st immediately after an employees hire date and on June 1st of each following year during which he/she is an employee.

CONTINGENT BENEFICIARY means the person or persons last designated by a participant, by written notice filed with the City Council, to receive a plan benefit upon his or her death, or upon the death of a beneficiary.

COUNCIL means the City Council of the City of Sanibel.

CREDITED SERVICE means service by an employee of the City of Sanibel equal to the period of the date he or she started employment to the date of separation from service. Included within credited service is periods of service in the Armed Forces of the United States after City employment commences, provided that a) the participant is entitled to re-employment in accordance with the Uniform Services Employment and Re-employment Rights Act (USERRA) the participant returns to City employment as an employee within one year following the date of his or her military discharge or release from active service (except as otherwise may be permitted by USERRA). The maximum amount of credited service a participant may receive pursuant to military service under USERRA shall be five years.

EARLY RETIREMENT DATE means the date on which a participant has attained age 55

and has completed five years of credited service.

EMPLOYEE means an individual who is employed as a regular, full-time employee (52 weeks per year, 40 hours per week) by the City of Sanibel who is not a sworn police officer.

INACTIVE PARTICIPANT means a former employee who was a participant of the Plan and has vested and is not yet receiving benefits or a former employee who was a participant of the Plan and is receiving retirement benefits.

NORMAL FORM OF BENEFIT means a benefit payable for the lifetime of the participant with a minimum of 120 monthly payments being made. If the participant dies before he or she has received 120 monthly payments, the remaining payments shall be made to the participant's beneficiary or contingent beneficiary or, in the absence of a beneficiary or contingent beneficiary, to the estate.

NORMAL RETIREMENT DATE means attaining of the age 65.

PARTICIPANT means an employee who fulfills the prescribed participation requirements.

PLAN means the City of Sanibel General Employees' Retirement Plan.

VESTING PERCENTAGE means the percentage used to determine that portion of a Participant's Accrued Benefit resulting from Employer Contributions, which is nonforfeitable (cannot be lost since it is vested).

A Participant's Vesting Percentage is shown in the following schedule opposite the number of whole years of his Vesting Service.

VESTING SERVICE (whole years)	VESTING PERCENTAGE
Less than 5	0
5 or more	100

Section 2. Article II. PARTICIPATION shall read as follows:

Section 2.01. PARTICIPATION MANDATORY

(1) All employees shall first become a participant on the date in which the employee first becomes employed as a regular full-time employee by the City of Sanibel.

Section 2.02. INACTIVE PARTICIPANT

An inactive participant ceases to be an inactive participant upon:

(1) The date of death; or
(2) The date the participant receives a single-sum distribution in lieu of benefits under the Plan.

Section 2.03 CESSATION OF PARTICIPATION

A participant ceases to be a participant on the earlier of the following:

(1) The date of death; or
(2) The date the participant becomes an inactive participant;
(3) The participant ceases to be a regular full-time employee of the City of Sanibel, or the employee becomes a police officer of the City of Sanibel.

Section 3. Article III. CONTRIBUTIONS shall read as follows:

Section 3.01. EMPLOYER CONTRIBUTIONS.

The amount and time of Employer Contributions shall be determined based on actuarial valuations reported to the City Council.

Section 3.02. EMPLOYEE CONTRIBUTIONS

There will be no employee contributions.

Section 4. Article IV. RETIREMENT DATES AND BENEFITS shall read as follows:

Section 4.01. RETIREMENT DATES AND BENEFITS

(1) Normal Retirement Date - The normal retirement date is age 65.

(2) When Paid - The monthly retirement income payable in the event of normal retirement will be paid on the first day of each month. The first payment will be made on the first day of the month coincident with or next following the participant's actual retirement.

(3) Normal Retirement Benefit - The annual retirement benefit shall be an amount equal to three percent of average compensation multiplied by the number of years of credited service, with a maximum of 30 years.

(4) Normal Form Benefit - A participant retiring on normal retirement will receive a monthly benefit which will continue for his or her lifetime, and which is guaranteed for 120 monthly payments. If, after payments commence, the participant dies before said 120 monthly payments are made, payments are then continued to his or her designated

beneficiary until 120 payments in all have been made, at which time benefits cease. In the event there is no living beneficiary or beneficiaries, or the beneficiary dies before 120 payments have been made, the remaining payments will be paid to the Estate of the participant.

(5) Early Retirement – A participant with five years of credited service (vested) who has attained age 55 may retire on early retirement.

(6) Early Retirement Benefit - The early retirement benefit will be three percent for each year of service times average compensation reduced by 2.5% per year for each year up to five years that early retirement date precedes age 60. There is no reduction in benefits for retirees between the ages of 60 through 65.

(7) Late Retirement Benefit - The annual retirement benefit on late retirement shall be an amount equal to three percent of average compensation multiplied by the number of years of credited service, with a maximum of 30 years.

Section 5. Article V. BENEFITS OTHER THAN UPON RETIREMENT shall read as follows:

Section 5.01. PRE-RETIREMENT DEATH BENEFIT

If a vested participant dies while in the service of the City before he or she has taken early, normal or late retirement, the following death benefit will be paid:

A Survivor Annuity Death Benefit payable to the beneficiary or contingent beneficiaries equal to one-half of the accrued benefit that would have been payable to the participant if the participant had retired on the date of his death. In the absence of an election of an optional form of benefit, the benefit will be payable under the Normal Form.

Provided, however, if the vested participant has not met the requirements for early retirement on the date the participant dies, the Survivor Annuity Death Benefit will be payable to the spouse or beneficiary on the first day of the month coincident with or following the date the participant would have met the requirements for early retirement date and will continue only as long as the spouse or beneficiary lives.

Additionally, if the vested participant has met the requirements for early retirement date on the date the participant dies, the Survivor Annuity Death Benefit payable to the spouse or beneficiary shall commence the first day of the month coincident with or next following the date of the participant's death and continue only as long as the spouse or beneficiary lives.

Section 5.02. VESTED BENEFITS

A person vests in the retirement plan, for purposes of receiving vested benefits, after five years of service. If an employee's employment with the City is terminated after five years of service, for reasons other than retirement or death, that participant will be considered to have vested and to have earned the right to a retirement benefit. The retirement benefit will be the same as a normal retirement benefit and will be paid at the date the participant would have reached normal retirement date.

Section 6. Article VI. DISTRIBUTION OF BENEFITS shall read as follows:

Section 6.01. OPTIONAL FORMS OF BENEFIT

(a) In lieu of the normal form of benefit, a participant may choose a life annuity or a life annuity with a guaranteed number of payments, for five or fifteen years, or a joint and survivor annuity, in which 50%, 66 2/3% or 100% of the retirement benefit received by the participant will be paid to a beneficiary or contingent beneficiary or beneficiaries, upon the death of the participant during the lifetime of the beneficiary or beneficiaries.

(b) All elections under this section shall be in writing.

(c) A participant may change his or her optional form of benefit at any time prior to receiving his or her first retirement check.

Section 6.02. ACTUARIAL EQUIVALENT

All optional forms of benefits will be actuarially equivalent to the Normal Form of benefit.

Section 6.03. DESIGNATION OF BENEFICIARIES

(a) The participant shall make designations of beneficiaries called for in this section in writing. The City Council may require such individual to complete and sign any necessary documents in connection herewith.

(b) A participant may elect a beneficiary or beneficiaries, either jointly or sequentially, or both, or a contingent beneficiary, either jointly or sequentially, or both, to receive benefits in the event of his or her death at any time. The beneficiary or contingent beneficiaries may be changed by the participant from time to time.

Section 6.04. ELECTION PROCEDURES

The participant or beneficiary shall make any election of optional form of benefit under this Article in writing. The Plan administrator may require such individual to complete and sign any necessary documents as to the provisions to be made.

If the participant has not elected an optional form of distribution for the death benefit payable to his beneficiary, the beneficiary may, for his own benefit, elect the form of distribution, in like manner as a participant.

Section 7. Article VII. FINANCES AND FUND MANAGEMENT shall read as follows:

Section 7.01. OPERATION OF FUND

(1) All funds and securities of the system may be commingled in the fund, provided that accurate records are maintained at all times reflecting the financial composition of the fund; and

(2) receipts and disbursements; and

(3) benefit payments; and

(4) all interest, dividends and gains (or losses) whatsoever; and

(5) such other entries as may be properly required so as to reflect a clear and complete financial report of the fund.

Section 7.02. POWERS OF THE CITY COUNCIL

The City Council shall have the following investment powers and authority:

(1) The City Council shall be vested with full legal title to said fund, subject however, and in any event, to the authority and power of the City Council to amend or terminate this trust, provided that no amendment or fund termination shall ever result in the use of any assets of this fund except for payment of regular expenses and benefits under this system. All contributions from time to time paid into the fund, and the income thereof, without distinction between principal and income, shall be held and administered by the City Council or its agent in the fund and the City Council shall not be required to segregate or invest separately any portion of the fund.

(2) The fund may be invested and reinvested in such securities or property, real or personal, wherever situated and of whatever kind, as shall be approved by the City Council, including but not limited to stocks, common or preferred, and bonds, and other evidences of indebtedness or ownership.

(3) The City Council may retain in cash and keep, unproductive of income, such amount of the fund as it may deem advisable, having regard for the cash requirements of the system.

(4) No person or entity shall be liable for the making, retention or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the fund, except that due to his or its own negligence, willful misconduct or lack of good faith.

(5) The City Council may cause any investment in securities held by it to be registered in or transferred into its name as trustee or into the name of such nominee as it may direct, or it may retain them unregistered and in form permitting transferability, but the books and records shall at all times show that all investments are part of the trust fund.

(6) The City Council is empowered, but is not required, to vote upon any stocks, bonds or securities of any corporation, association or trust and to give general or specific proxies or powers of attorney with or without power of substitution; to participate in mergers, reorganizations, re-capitalization's, consolidations and similar transactions with respect to such securities; to deposit such stock or other securities in any voting trust or any protective or like committee, or with the trustees or with depositories designated thereby; to amortize or fail to amortize any part of all of the premium or discount resulting from the acquisition or disposition of assets; and generally, to exercise any of the powers of an owner with respect to stocks, bonds or other investments comprising the fund which it may deem to be to the best interest of the fund to exercise.

(7) The City Council shall not be required to make any inventory or appraisal or report to any court, nor to secure any order of court for the exercise of any power herein contained.

(8) Where any action which the City Council is required to take or any duty or function which it is required to perform, either under the terms herein or under the general law applicable to it as trustee can, reasonably be taken or performed only after receipt by it from a participant, the City or any other entity of specific information, certification, direction or instructions, the City Council shall be free of liability in failing to take such action or perform such duty or function until such information, certification, direction or instruction has been received by it.

(9) Any overpayments or underpayments from the fund to a participant or beneficiary caused by errors or omission of computation shall, if material, be adjusted with interest at a rate per annum approved by the City Council. If such overpayment or underpayment is not material, the City Council may, in its sole discretion, choose to make the adjustment prospectively, and not

retroactively.

(10) The City Council shall sustain no liability whatsoever for the sufficiency of the fund to meet the payments and benefits herein provided for.

(11) This pension fund, City of Sanibel General Employees' Retirement Plan, is a legal entity and may sue or be sued in its own name.

Section 8. Article VIII. ADMINISTRATION shall read as follows:

Section. 8.01. CITY COUNCIL

(1) The general administration and responsibility for the proper administration of the fund and for making effective the provisions of this section are hereby vested in the City Council.

(2) Subject to the limitations of this ordinance, the City Council may from time to time establish uniform rules and regulations for the administration of funds created by this ordinance and for transaction of its business, including provisions for expulsion due to nonattendance of its members, which could result in a vacancy.

(3) The City Council shall engage such actuarial and other services as shall be required to transact the business of the retirement system. The compensation of all persons engaged by the City Council and all other expenses of the City Council necessary for the operation of the retirement system shall be paid at such rates and in such amounts as the City Council shall agree. Funds may be disbursed by the city finance department or other disbursing agent as determined by the City Council, but only upon written authorization by the City Council.

(4) The City Council shall meet at least quarterly each year to consider the business of the fund. The City Council has authority to hire an attorney who is not the city attorney to advise it on matters involving the fund.

(5) The duties and responsibilities of the City Council shall include, but not necessarily be limited by, the following:

a. To construe the provisions of the system and determine all questions arising there under.

b. To determine all questions relating to eligibility and participation.

c. To determine and certify amount of all retirement allowances or other benefits hereunder.

d. To establish uniform rules and procedures to be followed for administrative purposes, benefit applications and all matters required to administer the system.

e. To distribute, at regular intervals to employees, information concerning the system.

f. To receive and process all applications for participation and benefits.

g. To authorize all payments whatsoever from the fund, and to notify the disbursing agent, in writing, of approved benefit payments and other expenditures arising through operation of the system and fund.

h. To have performed annual actuarial valuations and actuarial studies regarding proposed changes in the provisions of the Retirement Plan.

i. To review reports of and have meetings with the custodian and investment agent or advisor; to require written reports from the custodian or fund assets and transactions on a quarterly or more frequent basis if deemed advisable by the City Council; to require written and oral report from the investment agent or advisor on at least a semi-annual basis, such reports to reflect fund investment performance, investment recommendations and overall review of fund investment policies.

j. To take all actions necessary for the proper operation of this fund and for making the effective the provisions of this ordinance.

(6) In the event that any claim is denied, the City Council shall provide a written explanation of such denial to the members involved. At the request of the member, a full and fair review of such denial shall be held at the next regularly scheduled City Council meeting.

Section 9. Article IX. ELIGIBLE ROLLOVER DISTRIBUTION shall read as follows:

Section 9.01. General

This section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

Section 9.02. Definitions

(1) Eligible Rollover Distribution: An eligible rollover distribution is any distribution of all or any portion of any balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) and for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten (10) years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Internal Revenue Code, 26 USC 1 et seq. (1988) (the AIRS Code and the portion of any distribution that is not includible in gross income.

(2) Eligible Retirement Plan: An eligible retirement plan is an individual retirement account described in section 408(a) of the IRS Code, an individual retirement annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the IRS Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(3) Distributee: a distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse is a distributee with regard to the interest of the spouse.

(4) Direct Rollover: A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

Section 10. Article X. NO RIGHT TO PLAN ASSETS shall read as follows:

Section 10.01. No employee shall have any right to or interest in any assets of the Plan upon termination of his or her employment or otherwise except as specifically provided under this Plan, and then only to the extent of the benefits payable to such employee in accordance with Plan provisions.

Any final payment or distribution to a participant or his legal representative or to any beneficiaries, spouse or contingent annuitant of such participant under the Plan provisions shall be in full satisfaction of all claims against the Plan, the Plan administrator, the insurer, and the employer arising under or by virtue of the Plan.

Section 11. Article XI. NONALIENATION OF BENEFITS shall read as follows:

Section 11.01. Benefits payable under the Plan are not subject to the claims of any creditor of

any participant, Beneficiary, spouse, former spouse or contingent annuitant. A participant, beneficiary, spouse or contingent annuitant does not have any rights to alienate, anticipate, commute, pledge, encumber or assign any of such benefits.

Section 12. Article XII. FACILITY OF PAYMENT shall read as follows:

Section 12.01 - If any person receiving benefits hereunder has a legal guardian, the payments will be made to the legal guardian.

Section 13, Article XIII. TERMINATION OF PLAN shall read as follows:

Section 13.01. The employer expects to continue the Plan indefinitely but reserves the right to terminate the Plan in whole or in part at any time upon giving written notice to all parties concerned.

A participant shall be fully (100%) vested in his accrued benefit upon complete termination of the Plan unless he has had a one-year period of severance, which was not followed by a reemployment commencement date. Upon complete termination of the Plan, no further employees shall become participants, and no further contributions shall be made except as required by any governmental agency to which the Plan's termination is subject.

A participant who is included in the group of participants deemed to be affected by the partial termination of the Plan shall be fully (100%) vested in his accrued benefit upon partial termination of the Plan unless he has had a one-year period of severance, which was not followed by a reemployment commencement date.

A participant's recourse towards satisfaction of his right to his non-forfeitable accrued benefit will be limited to the Plan assets.

The assets of the Plan that are available to provide benefits shall be allocated and applied as of the effective date of termination of the Plan according to the classifications and order of precedence provided under Title IV of ERISA and under any rules, regulations, interpretations or opinions implementing said Title IV.

No part of the Plan assets shall be paid to the employer at any time, except that, after the satisfaction of all liabilities under the Plan, any assets remaining will be paid to the employer. The payment may not be made if it would contravene any provision of law.

Section 14. Article XIV. MAXIMUM BENEFIT LIMITATION shall read as follows:

Section 14.01. (a) The maximum annual benefit payable under the plan shall be limited to the amounts set forth in the Internal Revenue Code, subject to adjustment for increases in the cost of living in accordance with the following sentence. As of the first day of January of each calendar year, the maximum dollar limitation shall be adjusted automatically to an amount determined by the

Commissioner of the Internal Revenue Service effective for that calendar year and shall apply only to that calendar year. Retirees in payment status whose benefits were limited in any year by the application of this limitation shall have their benefits adjusted automatically in subsequent years to take into account the then current dollar limit.

(b) In the event a member has earned a benefit which during a previous limitation year has met all the requirements of Section 415 of the Internal Revenue Code (IRC), and if the member's accrued benefit exceeds the limitation of IRC 415 for the current limitation year, the member's maximum annual benefit, as described in subsection (1) of this section, shall not be less than the accrued benefit allowable under such previous limitation year.

(c) If the retirement benefit is payable in a form other than a straight-life annuity or a joint and survivor annuity with the spouse as joint annuitant, the annual benefit limitation in any year shall be the actuarial equivalent (as defined in subsection 6 of this section) of the maximum annual benefit for that year (payable in the form of a straight-life annuity), as described above.

(d) In the event payment of a retirement benefit under the plan to a member commences prior to the date the member attains age 62, the maximum annual benefit limitation shall be adjusted to be not more than the Actuarial Equivalent of the then current dollar limit assumed to commence at age 62 for the purpose of applying the benefit limit described in subsection (a) of this section. For years subsequent to the payment commencement year, benefits payable shall be limited to the Actuarial Equivalent, determined as of the benefit commencement date, of the subsequent year's dollar limit assumed to commence at age 62 (or the then current age if greater). Adjustments described in this subsection (d) shall not reduce the maximum annual benefit below $75,000, if the retirement benefit commences on or after attainment of age 55, or if the benefit commences before age 55, the actuarial equivalent of the $75,000 limitation for age 55.

(e) In the event payment of a retirement benefit under the plan to a member commences after the date the member attains age 65, the maximum benefit limitation shall be adjusted to be not more than the Actuarial Equivalent (as defined herein below) of the then current dollar limit commencing at age 65 for the purpose of applying the benefit limit described in subsection (1) of this section. For years subsequent to the payment commencement year, benefits payable shall be limited to the actuarial equivalent determined as of the benefit commencement date, of the subsequent year's dollar limit assumed to commence at age 65.

(f) For the purpose of adjusting benefits in accordance with this section, Actuarial Equivalent shall be determined using the 1983 Group Annuity Mortality Table (50/50 Unisex) and an interest rate of 5% for adjustments under subsections (c), (d) and (e) of this section. For adjustment under subsections (c), (d) and (e), no cost-of-living adjustment shall be taken into account before the year for which such adjustment first takes effect.

(g) If a retirement benefit is payable to a member who has less than 10 years of plan participation, the limitation described in subsection (a) of this section shall be multiplied by a fraction,

the numerator of which is the member's years of plan participation and the denominator of which is 10.

Section 15. Conflict.

All ordinances or part of ordinances in conflict herewith shall be and the same are repealed. If any part of this ordinance conflicts with any other part, it shall be severed and the remainder shall have full force and effect and be liberally construed.

Section 16. Severance.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance, or application hereof, is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion or application shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion or application hereof.

Section 17. Effective date.

This Ordinance shall take effect immediately upon adoption.

DULY PASSED AND ENACTED by the Council of the City of Sanibel, Lee County, Florida,

this 16 day of May, 2002.

AUTHENTICATION:

Mayor

City Clerk

APPROVED AS TO FORM: City Attorney

5-18-02
Date

First Reading: March 19, 2002
Publication Notice: May 11, 2002
Second Reading: May 16, 2002

Record of Council Members Vote:

Brown:	AYE
Harrity:	AYE
Theiss:	AYE
Walsh:	AYE
Workman:	AYE

Date Filed With City Clerk: May 17, 2002