



MEMORANDUM

THRU: JUDIE ZIMOMRA, CITY MANAGER
TO: CITY COUNCIL
FROM: JIM ISOM, ADMINISTRATIVE SERVICES DIRECTOR
DATE: SEPTEMBER 28, 2011
SUBJECT: ORDINANCE 11-010 - AMENDMENT TO THE POLICE OFFICERS' PENSION PLAN



The Florida Legislature amended Florida Statute 185, Municipal Police Pensions, during the recent legislative session relating to funding of local pension plans, placing a restriction of no more than 300 hours overtime per year counting as pensionable income and eliminating the payout of vacation and medical leave as pensionable income upon retirement.

Municipalities with bargaining units were required to bargain the changes with the local union with an effective date coinciding with the date of a new contract. The City has negotiated the amendments contained in Ordinance 11-010 with the Fraternal Order of Police.

The Ordinance will be effective November 1, 2011. However, the agreement with the union freezes the vacation and medical leave payout to a maximum of the accrued leave eligible for payout as of October 1, 2011, which is the effective date of the new agreement.

CITY OF SANIBEL

ORDINANCE NO. 11-010

AN ORDINANCE OF THE CITY OF SANIBEL, FLORIDA, AMENDING CHAPTER 50 PERSONNEL, ARTICLE III, POLICE OFFICERS' RETIREMENT, DIVISION 2 PENSION PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF SANIBEL; AMENDING SECTION 50-220, AVERAGE FINAL COMPENSATION; AMENDING SECTION 50-355, CALCULATION OF BENEFIT AMOUNT; AND AMENDING SECTION 50-443, CITY CONTRIBUTIONS; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERANCE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Sanibel desires to amend the Police Officers' Pension Plan to implement legislative changes to Florida Statute Chapter 185, Municipal Police Pensions; and

WHEREAS, the City of Sanibel has negotiated the amendments to the Police Officers' Pension Plan with the Fraternal Order of Police; and

WHEREAS, to implement the provisions of the collective bargaining agreement, an ordinance amendment is necessary;

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. The Code of Ordinances of the City of Sanibel, Section 50-220, "Average final compensation," Section 50-355, "Calculation of benefit amount," and Section 50-443, "City contributions" are hereby amended with additions indicated by underline and deletions indicated by ~~strikeout~~:

Sec. 50-220. Average final compensation.

The term "average final compensation" means one-twelfth of the average annual compensation of the five highest years of service prior to the employee's normal retirement date. Annual compensation shall mean total earnings and compensation received by an employee, including ~~overtime~~ details, assignment and shift pay, uniform allowance, and payments for overtime and accrued unused leave as limited in Section 50-355 hereof.

Sec. 50-355. Calculation of benefit amount.

(a) A participant's monthly benefit level is the product of service multiplied by three percent of average final compensation that (1) excludes payment for vacation and medical leave accrued at the time of retirement, except the value of vacation and medical leave that was accrued and eligible for payout as of September 30, 2011, which will be included as pensionable compensation provided the value of the vacation and medical leave payout at the time of actual retirement is not less than that value calculated on September 30, 2011, in which case the lesser value will be included as pensionable compensation; and (2) includes overtime payments not to exceed 300 hours per fiscal year on or after September 30, 2011; all of which but cannot exceed the maximum benefit of 90 percent of final compensation.

(b) The actual benefit amount is determined by making the adjustment, if any, for early retirement and for the form of benefit which the participant selects.

Sec. 50-443. City contributions.

The City of Sanibel shall contribute to the plan on at least a quarterly basis, the greater of:

(a) An amount ~~which~~ that together with the contributions derived from participants, the amount derived from premium taxes that is allowable to offset the employer contributions, and other income sources as authorized by law, will be sufficient to meet the normal cost of the plan and to fund the actuarial deficiency over a period of 30 years; or

(b) An amount, that together with the amount derived from premium taxes that is allowable to offset employer contributions, will be sufficient to meet the normal cost of the plan.

SECTION 3. CODIFICATION.

This ordinance shall be deemed an amendment to the Code of Ordinances of the City of Sanibel and the Sanibel Code of Ordinances is hereby amended.

SECTION 4. SEVERABILITY.

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 of application hereof.

SECTION 5. Effective date.

This Ordinance shall take effect immediately upon adoption.

DULY PASSED AND ENACTED by the Council of the City of Sanibel, Florida, this ____ day of _____, 2011.

AUTHENTICATION:

KEVIN RUANE, Mayor

PAMELA SMITH, City Clerk

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

Date

First Reading: _____
Publication Notice: _____
Second Reading: _____

Vote of Council Members:

Ruane _____
Denham _____
Congress _____
Harrity _____
Jennings _____

Date Filed With City Clerk: _____