CITY OF SANIBEL

ORDINANCE 11-011

AN ORDINANCE OF THE CITY OF SANIBEL, FLORIDA, AMENDING CHAPTER 50 PERSONNEL, ARTICLE IV, GENERAL EMPLOYEES RETIREMENT PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF SANIBEL; AMENDING SECTION 50-476, DEFINITIONS; AMENDING SECTION 50-477, PARTICIPATION; AND AMENDING SECTION 50-479, RETIREMENT DATES AND BENEFITS, OF THE TERMS OF THE CITY OF SANIBEL GENERAL EMPLOYEES' RETIREMENT PLAN; PROVIDING FOR CODIFICATION AND SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Sanibel desires to amend the General Employees' Retirement Plan to include the Police Dispatchers under the amended plan; and

WHEREAS, the City of Sanibel has negotiated the retirement plan amendments with the Fraternal Order of Police which represent the Police Dispatchers.

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

SECTION 1. The Code of Ordinances of the City of Sanibel, Article IV, General Employees' Retirement Plan, Section 50-476. "Definitions.", Section 50-477. "Participation.", paragraph (a), "Participation", Section 50-479, "Retirement dates and benefits" paragraph (a), are hereby amended with additions indicated by underline and deletions indicated by strikeout:

Sec. 50-476. Definitions.

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.

Actuarial equivalent means a benefit or amount of equal value, based upon the RP 2000 Combined Healthy 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 50-483.

City means the City of Sanibel, Florida.

City Service means the cumulative total of all periods of full time employment with the City of Sanibel while a participant in the plan.

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. Effective on the effective date of this ordinance, compensation for employees who are not included in any bargaining unit means fixed rate of pay. Notwithstanding the preceding sentence, effective May 1, 2011 compensation for employees (other than police dispatchers) who are included in a bargaining unit shall mean fixed rate of pay if the union representing such employees agrees to this definition in writing on or before that date. Effective on November 1, 2011 compensation for police dispatchers shall mean fixed rate of pay.

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 while a participant of the plan, from the date of hire to the date of separation from service. A participant who separates from city employment for a period of less than 365 calendar days and does not receive a refund of employee contributions shall rejoin the plan upon reemployment without loss of credited service for the prior period of employment. A participant who separates from city employment for a period in excess of 365 calendar days, or for a period of less than 365 calendar days and receives a refund of employee contributions, and is subsequently rehired as a city employee, shall join the plan as a new employee, and the prior period of employment shall not be included as credited 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 b) 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 governmental 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 and service with respect to which the members 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. Employees are authorized to purchase prior government service no earlier than six months prior to a firmly established retirement date. Credited service as the result of purchase of military time or prior governmental employment time shall not count toward vesting.

(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 participant 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.

Early retirement date means the date on which a participant has attained age 55 and has completed five years of credited service. Notwithstanding the preceding sentence, effective September 30, 2011 for all participants ~~(~~other than police dispatchers~~)~~ <u>and effective January 1, 2012 for police dispatchers, participants</u> with less than 15 years of city service who are employed by the city on that date, early retirement date means the date on which a participant has attained age 60 and has completed six 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 participant of the plan who has separated from city employment with a 100% vesting percentage and is not yet receiving benefits; or a participant who is 100% vested on April 30, 2011 and elects to opt out of the plan and participate in a defined contribution plan in accordance with section 50-477(5). Upon request for retirement benefits from a vested inactive participant, the benefits payable are based on the plan provisions in effect at the time the participant separated from city employment, or opted out and ceased to be an active participant in the plan.

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 of the plan.

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

Retiree means a participant who is eligible for normal or early retirement and is receiving benefits under the plan, or a participant who has entered the deferred retirement option program.

Trustee means a member of the board of trustees.

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).

Participants with 5 or more years of vesting service on September 30, 2011 shall have a 100% vested percentage in their accrued benefit. Participants (other than police dispatchers) with less than 5 years of vesting service on September 30, 2011 shall have the vesting percentage shown in the following schedule opposite the number of whole years of vesting service. Police dispatchers with less than 5 years of vesting service on January 1, 2012 shall have the vesting percentage shown in the following schedule opposite the number of whole years of vesting service.

VESTING SERVICE (whole years)	VESTING PERCENTAGE
Less than 6	0
6 or more	100

Vesting service means credited service excluding service as the result of the purchase of prior military or governmental service.

Sec. 50-477. Participation.

(a) *Participation.*

(1) All employees hired on or after January 3, 2005 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 January 2, 2005 shall be deemed plan B members unless, prior to March 4, 2005, they elect to become members of plan A.

(3) Employees who elect not to join plan A in accordance with paragraph (2) above will remain members of plan B.

(4) Notwithstanding the provisions of paragraphs (1), (2) and (3) above, all employees who are hired or rehired by the City on or after March 4, 2005 shall become members of Plan A, unless they elect to opt out of the plan in accordance with paragraph (5) below.

(5) Notwithstanding the provisions of paragraphs (1), (2), (3) and (4) above, all employees except police dispatchers who are active participants in the plan on March 1, 2011, and all employees except police dispatchers who become participants of the plan after that date, and police dispatchers who are active participants in the plan on November 1, 2011 and all police dispatchers who become participants of the plan after that date, shall have a one-time, irrevocable option to opt out of the plan and participate in a defined contribution plan, as follows:

(a) Employees other than police dispatchers who are active participants in the plan on March 1, 2011, may elect to opt out of the plan and participate in a defined contribution plan by submitting a written election on a form provided by the city to the administrative services department on or before April 30, 2011. Police dispatchers who are active participants in the plan on November 1, 2011, may elect to opt out of the plan and participate in a defined contribution plan by submitting a written election on a form provided by the city to the administrative services department on or before December 31, 2011. Any employees who are active participants in the plan on March 1, 2011 and police dispatchers who are active participants in the plan on November 1, 2011, and do not submit a timely written election to opt out of the plan shall continue to participate in the plan as a member of the same plan (A or B) in which they were participating on March 1, 2011 and November 1, 2011 respectively. Employees who elect to opt out of the plan and participate in a defined contribution plan in accordance with this subparagraph (a) shall cease to be an active participant of this plan on May 1, 2011, and shall become a member of the defined contribution plan on that date. Police dispatchers who elect to opt out of the plan and participate in a defined contribution plan in accordance with this subparagraph (a) shall cease to be an active participant of this plan on January 1, 2012, and shall become a member of the defined contribution plan on that date.

1. Employees who are 100% vested in the plan on April 30, 2011 and police dispatchers who are 100% vested in the plan on December 31, 2011 and elect to opt out of the plan and participate in a defined contribution plan in accordance with subparagraph (a) above shall retain their accrued benefit in the plan. The accrued benefit of such participants, calculated based on the participant's average compensation and credited service on April 30, 2011 for participants other than police dispatchers and December 31, 2011 for police dispatchers, shall be payable when the participant attains the normal retirement date or early retirement date in accordance with sections 50-479 and 50-481. Such employees shall be eligible for the 2.75% cost of living adjustment to commence on October 1 after receipt of 36 monthly retirement payments and to continue for 25 years thereafter as provided in section 50-479(8).

2. Employees who are not 100% vested in the plan on April 30, 2011 and police dispatchers who are not 100% vested in the plan on December 31, 2011 and elect to opt out of the plan and participate in a defined contribution plan in accordance with subparagraph (a) above may elect to roll over their accumulated employee contributions, plus the value of their accrued benefit not to exceed the amount of accumulated employee contributions, to the defined contribution plan in lieu of obtaining a refund of employee contributions.

(b) Employees who are hired after March 1, 2011 and police dispatchers who are hired after November 1, 2011, may elect to opt out of the plan and participate in a defined contribution plan by submitting a written election on a form provided by the city to the administrative services department within 30 calendar days following their date of hire. Any employee hired after March 1, 2011 and after November 1, 2011 for police dispatcher who does not submit a timely written election to opt out of the plan shall continue to participate in the plan as a member of plan A. Employees who elect to opt out of the plan and participate in a defined contribution plan in accordance with this subparagraph (b) shall be deemed to have never participated in this plan, and shall become a member of the defined contribution plan effective as of their date of hire.

(b) *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.

(c) *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.

(4) The participant elects to opt out of the plan and participate in a defined contribution plan in accordance with section 50-477(a)(5).

Sec. 50-479. Retirement dates and benefits.

(a) *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 for all participants ~~except police dispatchers~~ shall be an amount equal to 3 percent of average compensation (as defined for Plan A and Plan B members) multiplied by the number of years of credited service prior to May 1, 2011 for all participants other than police dispatchers and prior to January 1, 2012 for police dispatchers, and 1.68 percent of average compensation (as defined for Plan A and Plan B members) multiplied by the number of years of credited service on and after May 1, 2011 for all participants other than police dispatchers and on and after January 1, 2012 for police dispatchers, with a combined maximum of 30 years of credited service. ~~The annual retirement benefit for police dispatchers shall be an amount equal to 3 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 of credited service.~~

(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 who is 100% vested and attains age 55 prior to October 1, 2011 may retire on early retirement. Effective October 1, 2011, a participant with 15 or more years of city service prior to that date who attains age 55 may retire on early retirement. Effective October 1, 2011, a participant with less than 15 years of city service prior to that date, and any participant hired after that date, who attains age 60 may retire on early retirement. ~~Notwithstanding the foregoing, a police dispatcher who is 100% vested and attains age 55 may retire on early retirement.~~

(6) *Early retirement benefit.* The early retirement benefit will be calculated as shown under the normal retirement benefit, paragraph (3) above, but shall be reduced by 5 % per year for each year that the early retirement date precedes age 65. Notwithstanding the preceding sentence, the early retirement benefit for an employee ~~(other than a police dispatcher)~~ with 15 or more years of city service on September 30, 2011 will be calculated as shown under the normal retirement benefit, paragraph (3) above, but shall be reduced by 2.5% for each year that the early retirement date precedes age 60; and the early retirement benefit will not be reduced if the employee has attained age 60 at the time of retirement. ~~Notwithstanding the foregoing, the early retirement benefit for a police dispatcher will be calculated as shown under the normal retirement benefit, paragraph (3) above, but shall be reduced by 2.5% for each year that the early retirement date~~

~~precedes age 60, and the early retirement benefit will not be reduced if the dispatcher has attained age 60 at the time of retirement.~~

(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 prior to May 1, 2011 for all participants other than police dispatchers and prior to January 1, 2012 for police dispatchers, and 1.68 percent of average compensation (as defined for Plan A and Plan B members) multiplied by the number of years of credited service on and after May 1, 2011 for all participants other than police dispatchers and on and after January 1, 2012 for police dispatchers, with a combined maximum of 30 years.

(8) There shall be a Cost of Living adjustment for retirees, their beneficiaries and joint annuitants, as provided in this paragraph (8). For all participants who retire after October 17, 2006 and participants other that police dispatchers who retire before May 1, 2011 and police dispatchers who retire before January 1, 2012, ~~and for participants~~ who are 100% vested in the plan on April 30, 2011 for all participants other than police dispatchers and police dispatchers who are 100% vested on December 31, 2011 and elect to opt out of the plan and participate in a defined contribution plan in accordance with section 50-477(5), 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 on October 1 after receipt of 36 monthly retirement payments and to continue for 25 years thereafter or the length of the monthly retirement benefit period, whichever is less. For participants who elect to continue participating in the plan in accordance with section 50-477(5), and for all participants hired on or after May 1, 2011 except police dispatchers and police dispatchers hired on or after January 1, 2012, the Cost of Living adjustment shall be calculated as a two percent (2.0%) increase to normal and early retirement benefit payments, to commence on October 1 after receipt of 60 monthly retirement payments and to continue for 25 years thereafter or the length of the monthly retirement benefit period, whichever is less. ~~Notwithstanding the foregoing, the Cost of Living adjustment for a police dispatcher shall be calculated as a two and seventy five hundreds percent (2.75%) increase to normal and early retirement benefit payments, to commence on October 1 after receipt of 36 monthly retirement payments and to continue for 25 years thereafter or the length of the monthly retirement benefit period, whichever is less.~~ The cost of living adjustment shall apply to benefit payments received by retirees, their beneficiaries and joint annuitants, but shall not apply to the benefit payments received by vested terminated members, their beneficiaries and joint annuitants, or the beneficiaries of participants who die prior to retirement. Following the initial Cost of Living adjustment, the monthly benefit of eligible retirees, beneficiaries and joint annuitants shall be adjusted each October 1 thereafter for 25 years. 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 the applicable adjustment percentage.

SECTION 2. 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 3. 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 4. 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 the City Clerk: _____