

**ORDINANCE NO. 250-08-126**

**AN ORDINANCE OF THE CITY OF LAUDERHILL, FLORIDA, AMENDING THE CITY OF LAUDERHILL CODE OF ORDINANCES, CHAPTER 2 – ADMINISTRATION, ARTICLE II – OFFICERS AND EMPLOYEES, DIVISION 3 – RETIREMENT, PART 4 – SENIOR MANAGEMENT PENSION PLAN AND TRUST FUND, SECTION 2-88.15 -- DEFERRED RETIREMENT OPTION PLAN, BY INCREASING THE MAXIMUM PARTICIPATION IN THE DEFERRED RETIREMENT OPTION PLAN (DROP) FROM FIVE YEARS TO SEVEN YEARS WITH CONDITIONS; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE (REQUESTED BY HUMAN RESOURCES DIRECTOR ERCILIA KREMPLER AND CITY MANAGER, KENNIE HOBBS, JR.).**

**WHEREAS**, the City of Lauderhill (the “City”) maintains a defined benefit pension plan for its employees known as the City of Lauderhill Confidential and Managerial Employee Defined Benefit Retirement Plan (the “Plan”), and which is codified in Chapter 2, Article 2, Division III, Part 4 of the City Code; and

**WHEREAS**, the City Commission finds that it is in the best interest of the Plan to extend the Deferred Retirement Option Plan from five years to seven years with conditions; and

**WHEREAS**, the City Commission finds that it is in the best interests of the City, its employees and its citizens and taxpayers to amend the Plan.

**NOW, THEREFORE, BE IT ORDAINED** by the City Commission of the City of Lauderhill:

**SECTION 1.** That Chapter 2, Administration, Article II, Officers and Employees, Division 3, Retirement, Part 4 Senior Management Pension Plan and Trust Fund, shall be amended by AMENDING section 2-88.15 to read as follows (underlined is added; stricken is deleted):

**Sec. 2-88.15. - Deferred retirement option plan.**

- (a) A deferred retirement option plan (“DROP”) is hereby created.
- (b) Eligibility to participate in the DROP is based upon eligibility for service retirement in the plan.
- (c) The maximum period of participation in the DROP is five (5) years. Notwithstanding the foregoing, effective September 8, 2025, the maximum period of participation in the DROP is seven (7) years, provided that members make a one and one-half (1.5) percent contribution of applicable earnable compensation, to be deducted from earnable compensation, for any time worked during the member’s sixth and seventh year in the DROP.
- (d) Upon exercising the right to participate in the DROP, an employee's credited service, accrued benefits and earnable compensation calculation shall be frozen, and the best five (5) years of employment out of the last ten (10) years of employment preceding participation in the DROP shall be utilized to determine benefits.
- (e) Payment shall be made into the employee's DROP account in the amount which would be paid had the member separated from the city and commenced normal retirement.

- (f) The employee's DROP account shall earn interest at the same rate as the actual investment earnings of the plan. Should the investment earnings for any year during the time period prior to the member's separation of service from the city be negative, the member's account shall not gain or lose interest for that year. Notwithstanding anything to the contrary, members hired after March 1, 2009, who enter the DROP shall have their account earn interest at the same rate as the actual investment net earnings of the plan during the time period prior to the member's separation of service from the city. Notwithstanding anything to the contrary, members hired after September 1, 2012, who enter the DROP shall have their account earn or lose interest during the time period prior to the member's separation of service from the city at one-half ( $\frac{1}{2}$ ) the rate of the actual investment net earnings or losses of the plan, said rate to be no more than five (5) percent, or less than zero.
- (g) As a condition of participating in the DROP, an eligible member who is not a member of the city commission, deputy or assistant city manager, department director or at Pay Grade 61 or above in the city's pay plan, or a charter officer must agree to terminate city employment at the conclusion of five (5) years and to submit an irrevocable letter of resignation stating this prior to entering the DROP. Notwithstanding the foregoing, effective September 8, 2025, as a condition of participating in the DROP, an eligible member who is not a member of the city commission, deputy or assistant city manager, department director or at Pay Grade 61 or above in the city's pay plan, or a charter officer must agree to terminate city employment at the conclusion of seven (7) years and to submit an irrevocable letter of resignation stating this prior to entering the DROP. Eligible members who are city commissioners, deputy or assistant city manager, department director or at Pay Grade 61 or above in the city's pay plan, or charter officers shall not be required to terminate city employment at the conclusion of the DROP period, and may elect to resume participation in and accrue additional benefits in the City of Lauderhill Confidential and Managerial Employee Defined Benefit Retirement Plan. Should the city change the pay grade in the city's pay plan, the board, in its discretion, is permitted to reasonably determine the functional equivalent of a department director in the city's new pay plan.
- (h) No payment may be made from the DROP until the employee actually separates from service with the city. Payments from the DROP shall be made within thirty (30) days of separation from service. Payment shall be made either in a lump sum or may be rolled over to a qualified retirement plan that accepts the payment. At all times, the DROP shall be subject to the provisions of the Internal Revenue Code.
- (i) If an employee dies during participation in the DROP, the employee shall be treated as any other vested member in the plan who dies prior to retirement.
- (j) Upon commencement of participation in the DROP, the member shall no longer be eligible for disability retirement from the plan. If a member becomes disabled during the DROP period, the member shall be treated as if he/she retired on the day prior to the date of disability.
- (k) The board shall adopt any administrative rules necessary to administer the DROP. Net investment return is determined monthly by comparing the value of the assets in the fund on the first valuation date (i.e. the first date of the month) to the value of the fund assets on the second valuation date (i.e. the last day of the month). Results are geometrically linked, continuously, after the first month. A weighted average allocation method is used to account for contributions into and payments from the fund. The weighted portion of such contributions and payments is a fraction, the numerator of which is the number of days in the valuation period, minus the number

of days in the valuation period which begin after the applicable payment date, and the denominator of which is the number of days in the valuation period.

- (l) Employees who are currently in the DROP as of September 8, 2025, may elect in writing to extend their DROP participation time to seven years total from the date they entered into DROP. Employees who are currently in the DROP must elect to participate in the extension before the end of their initial DROP period. Subject to subsection (g), receipt of the normal service retirement pension shall be deferred for employees opting to extend their participation in DROP until such time as they terminate their employment with the City, but not to exceed seven years from initial entry into the DROP.

**SECTION 2.** If this ordinance or any part thereof be declared invalid by a Court of competent jurisdiction, the invalidity of any part of this ordinance shall not otherwise affect the validity of the remaining provisions of this ordinance, which shall be deemed to have been enacted without the invalid provision.

**SECTION 3.** All sections or parts of sections of the Code of Ordinances of the City of Lauderhill, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith, be and the same are hereby repealed to the extent of such conflict.

**SECTION 4.** It is the intention of the City Commission of the City of Lauderhill that the provisions of this ordinance shall become and be made a part of the Code of the City of Lauderhill, and that the word “ordinance” may be changed to “section,” “article,” or such other appropriate word or phrase in order to accomplish such intentions.

**SECTION 5.** This ordinance shall become effective upon adoption.

PASSED on first reading this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

PASSED and ADOPTED on second reading this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
DENISE D. GRANT, MAYOR  
PRESIDING OFFICER

ATTEST:

\_\_\_\_\_  
ANDREA M. ANDERSON, MMC  
CITY CLERK

Approved as to Form

\_\_\_\_\_  
Hans Ottinot  
City Attorney

MOTION  
SECOND

First Reading

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Second Reading

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R. CAMPBELL  
M. DUNN  
D. GRANT  
J. HODGSON  
S. MARTIN

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