

ORDINANCE NO. 230-06-116

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 TO AMEND THE CONFIDENTIAL AND MANAGERIAL EMPLOYEE DEFINED BENEFIT RETIREMENT PLAN; AMENDING SECTION 2-88.7, VESTING AND TERMINATION; PURCHASE OF PRIOR COVERED SERVICE; AMENDING SECTION 2-88.15, DEFERRED RETIREMENT OPTION PLAN TO CLARIFY THE CITY POSITIONS THAT MAY REMAIN IN EMPLOYMENT AT THE CONCLUSION OF DROP PARTICIPATION; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE (REQUESTED BY CITY MANAGER, DESORAE GILES-SMITH)

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;

WHEREAS, the Board of Trustees of the Plan, in its discretion, adopted a lower assumed funding rate of 6.8%;

WHEREAS, certain city officials perform the function of a department director without regard to title, this section of the Code should be clarified for the avoidance of doubt;

WHEREAS, the Board of Trustees of the Plan recommends the adoption of this Ordinance to provide clarification;

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; and

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

SECTION 1: Section 2-88.7. – Vesting and termination; purchase of prior covered service.

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- (f) Members may purchase up to five (5) years of credited service at an accrual rate of a three (3) percent multiplier by tendering the employee and employer contributions as determined by the actuary for the plan. The city shall pay the balance of any cost of the service being purchased in the preceding sentence as determined by the actuary. A member must make an election to purchase this credited service by April 1, 2006. No member(s) shall be entitled to elect to or purchase credited service after April 1, 2006. Confidential/managerial employees that are members of the 401(a) or 457 plan may purchase credited service back to October 1, 1994, at an accrual rate of a two and five-tenths (2.5) percent multiplier. Employees in a 401(a) account may transfer their entire account balances and receive credit for years of service to October 1, 1994, or date of hire, whichever is later. Employees in a city contributed 457 account may transfer assets

equal to the city's contributions, plus gains and losses to be determined by the actuary, and receive credit for the years of service to October 1, 1994, or date of hire, whichever is later; provided that an amount equal to the employee contribution portion of the cost must be made from an alternate source. Notwithstanding any provision to the contrary, confidential/managerial employees shall be provided a one-time option, which option expires on April 1, 2006, to purchase credited service back to their date of hire, at an accrual rate of a two and five-tenths (2.5) percent multiplier, provided that the member tenders the refunded employee contributions plus cumulative interest at an agreed-upon rate. For the limited purpose of the buyback provision set forth in the immediately preceding sentence, members electing the one-time buyback option shall be permitted to cash in up to forty-five (45) days of vacation and sick time at their full value to pay for the buyback. The member must maintain a balance of two hundred twenty-five (225) hours of sick time while employed. No balance is required to be maintained for vacation time. The cost for the service buyback under this subsection may be made in one (1) lump sum or may be made in installments. An employee making installment payments shall complete all required payments prior to payment of any benefit under this section. If installment payments are not completed at the time an employee retires, the employee shall not receive prior service credit for the remaining period for which payments were not made. Upon separation from employment with the city, a member may either use all or a portion of the two hundred twenty-five (225) hours of sick time to complete a buyback under this section, and/or rollover all or a portion of the sick time to a qualified retirement plan. Should an employee die prior to completing any installment payments, employee's designated beneficiary or joint annuitant shall be given the opportunity to complete the buyback and receive the outstanding credited service by making one (1) lump-sum payment of the entire balance due within ninety (90) days of the date of the employee's death. Notwithstanding anything to the contrary, effective March 1, 2009, members may purchase up to five (5) years of credited service at an accrual rate of a three (3) percent multiplier by tendering the full actuarial cost of the credited service. Effective August 1, 2017, members must have completed ten (10) years of credited service prior to any purchase of service credit under this section. Any and all service purchased under this section shall not count towards vesting under the plan, nor shall it be counted towards normal or early retirement eligibility. The purchase may be made by lump-sum payment or in installment payments with interest at the current assumed funding rate as determined by the Board ~~eight (8) percent~~. The lump-sum payment must be made within sixty (60) days from receipt of the actuarial calculation determining the cost of the service to be purchased. If making installment payments, the period of the installment payments must be affirmatively selected by the member. A member making installment payments shall complete all required payments prior to payment of any benefit under this section. If installment payments are not completed at the time a member retires, the member shall not receive prior service credit for the remaining period for which payments were not made.

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SECTION 2: Section 2.88-15. – Deferred Retirement Option Plan.

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- (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 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. 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.

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SECTION 3. Should 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 4. 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 5. 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 6. This ordinance shall become effective immediately upon its passage, unless otherwise provided.

DATED this ____ day of _____, 2023.

PASSED on first reading this ____ day of _____, 2023.

PASSED AND ADOPTED on second reading this ____ day of _____, 2023.

PRESIDING OFFICER

ATTEST:

CITY CLERK

	FIRST READING	SECOND READING
MOTION	_____	_____
SECOND	_____	_____
M. DUNN	_____	_____
D. GRANT	_____	_____
L. MARTIN	_____	_____
S. MARTIN	_____	_____
K. THURSTON	_____	_____