

**ORDINANCE NO. 2014-22**

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF VENICE, FLORIDA, CHAPTER 50 PERSONNEL, ARTICLE III, PENSIONS AND RETIREMENT; DIVISION 2, MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND; SECTION 50-81, DEFINITIONS; SECTION 50-82, MEMBERSHIP; SECTION 50-85, CONTRIBUTIONS; SECTION 50-86, BENEFIT AMOUNTS AND ELIGIBILITY; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Venice and Suncoast Professional Firefighters and Paramedics, Local 2546, International Association of Firefighters (IAFF), recently entered into a collective bargaining agreement; and

**WHEREAS**, the collective bargaining agreement contains certain changes to the Firefighters' Pension Trust Fund; and

**WHEREAS**, to implement the collective bargaining agreement it is necessary to amend the Firefighters' Pension Trust Fund ordinance.

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

**SECTION 1.** The Whereas clauses above are ratified and confirmed as true and correct.

**SECTION 2.** Chapter 50, Personnel, Article III, Pensions and Retirement, Division 2, Municipal Firefighters' Pension Trust Fund, Section 50-80, Definition for Salary is amended as follows:

**50-81. Definitions.**

- (a) The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Salary* means the total monthly compensation for services rendered to the city as a firefighter, reportable on the firefighter's W-2 form, plus all tax-deferred, tax-sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions as well as any employer final pay contribution and employer accrued leave contribution made to the City of Venice Non-Bargaining Retirement Plan for the member's benefit. Compensation in excess of the limitations set forth in section 401(a)(17) of the Internal Revenue Code as of the first day of the plan year shall be

disregarded for any purpose, including employee contributions or any benefit calculations. The annual compensation of each member taken into account in determining benefits or employee contributions for any plan year beginning on or after January 1, 2002, may not exceed \$200,000.00, as adjusted for cost-of-living increases in accordance with Internal Revenue Code Section 401(a)(17)(B). Compensation means compensation during the fiscal year. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. If the determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12. If the compensation for any prior determination period is taken into account in determining a member's contributions or benefits for the current plan year, the compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period. The limitation on compensation for an eligible employee shall not be less than the amount which was allowed to be taken into account under this paragraph as in effect on July 1, 1993. For purposes of this paragraph, the term "eligible employee" means an individual who was a member before the first plan year beginning after December 31, 1995. Notwithstanding the foregoing, effective October 1, 2014 for members who are employed and have not reached normal retirement eligibility on that date, and elect to continue participating in this system, salary shall mean base pay, excluding overtime and all other compensation.

- (b) *Masculine gender.* The masculine gender, where used herein, unless the context specifically requires otherwise, shall include both the feminine and masculine genders.

**SECTION 3.** Chapter 50, Personnel, Article III, Pensions and Retirement, Division 2, Municipal Firefighters' Pension Trust Fund, Section 50-82, Membership, is amended as follows:

**50-82. Membership.**

- (a) *Conditions of eligibility.* All firefighters as of the effective date, and all future new firefighters, shall become members of this system as a condition of employment. Notwithstanding the preceding sentence, this system shall be closed to new members on October 1, 2014. Firefighters hired on or after October 1, 2014 shall become compulsory members of the Florida Retirement System (FRS) and shall not be eligible for membership in this system. Firefighters hired before October 1, 2014 who are members of this system on September 30, 2014 may elect to participate in FRS or continue participating in this system. Eligibility for participation in the FRS, as well as FRS benefits and contributions, will be determined in accordance with Chapter 121, Florida Statutes, as that statute now exists and as it may be amended in the future.

- (b) *Designation of beneficiary.* Each firefighter shall complete a form prescribed by the board providing for the designation of a beneficiary or beneficiaries.

**SECTION 4.** Chapter 50, Personnel, Article III, Pensions and Retirement, Division 2, Municipal Firefighters' Pension Trust Fund, Section 50-85, Contributions, is amended as follows:

**50-85. Contributions.**

- (a) *Member contributions.*
- (1) *Amount.* Effective October 1, 1998, each member of the system shall be required to make regular contributions to the fund in the amount of 9.75 percent of the member's salary through September 30, 2014, and seven percent of the member's salary effective October 1, 2014~~his salary~~. Notwithstanding the preceding sentence, effective September 30, 2014, the member contribution shall be increased by 59 percent of salary (equal to a total increase of \$155,521.27 for all contributing members). Also effective on September 30, 2014, and immediately following the increase in the member contribution provided in the preceding sentence, the member contribution shall be reduced back to 9.75 percent of salary, using \$155,521.27 from the Total State Monies Reserve to fund the reduction in member contributions. In implementing the foregoing, no member shall be required to contribute more than 9.75 percent of salary to the system, and the city's annual pension contribution requirement for the 2014-15 plan year shall be reduced by an amount equal to \$155,521.27. Member contributions withheld by the city on behalf of the member shall be deposited with the board immediately after each pay period. The contributions made by each member to the fund shall be designated as employer contributions pursuant to section 414(h) of the code. Such designation is contingent upon the contributions being excluded from the member's gross income for federal income tax purposes. For all other purposes of the system, such contributions shall be considered to be member contributions.
- (2) *Method.* Such contributions shall be made by payroll deduction.
- (b) *State contributions.* Any monies received or receivable by reason of laws of the state for the express purpose of funding and paying for retirement benefits for firefighters of the city shall be deposited in the fund comprising part of this system immediately, and under no circumstances more than five days after receipt by the city. All monies received pursuant to Chapter 175, Florida Statutes, up to \$295,941 per year shall be used to reduce the city's contributions to the system.

*(c) and (d) no change*

**SECTION 5.** Chapter 50, Personnel, Article III, Pensions and Retirement, Division 2, Municipal Firefighters' Pension Trust Fund, Section 50-86, Benefit amounts and eligibility, is amended as follows:

**50-86. Benefit amounts and eligibility.**

*(a) no change*

- (b) *Normal retirement benefit.* A member retiring under this division on or after his normal retirement date shall receive a monthly benefit which shall commence on the first day of the month coincident with or next following his retirement and be continued thereafter during the member's lifetime, ceasing upon death, but with 120 monthly payments guaranteed in any event. The monthly retirement benefit shall equal 3.5 percent of average final compensation for each year of credited service, plus \$175.00, which amount includes the additional benefit provided for in subsection 50-105(b). Notwithstanding the preceding sentence, effective October 1, 2014 the monthly retirement benefit for members who are employed and have not reached normal retirement eligibility on that date, and elect to continue participating in this system, shall equal 3.5 percent of average final compensation for each year of credited service earned or credited before October 1, 2014, and 2.75 percent of average final compensation for each year of credited service earned or credited after that date, plus \$175.00, which amount includes the additional benefit provided for in subsection 50-105(b).
- (c) *Early retirement date.* A member may retire on his early retirement date, which shall be the first day of any month coincident with or next following the earlier of the attainment of age 50 and the completion of ten years of credited service, or the completion of 20 years of credited service, regardless of age. Early retirement under the system is retirement from employment with the city on or after the early retirement date and prior to the normal retirement date. Notwithstanding the foregoing, effective October 1, 2014 members with less than ten years of credited service on that date shall not be eligible for early retirement.
- (d) no change*
- (e) *Cost of living adjustment.* The pension benefit payable to all normal and early service retirees who retire after October 1, 1998, shall be increased beginning on the first October 1st following commencement of retirement benefits, and each October 1st thereafter, by

an amount equal to three percent until the adjustment date next following attainment of age 65 after which such adjustments shall cease. However, the first adjustment amount of each retiree shall be prorated based on the number of months of retirement as of the first adjustment date. Notwithstanding the foregoing, effective October 1, 2014 for members who are employed and have not reached normal retirement eligibility on that date, and elect to continue participating in this system, the benefit payable upon retirement will not include a cost of living adjustment for that portion of the member's benefit based on credited service earned on or after October 1, 2014. Such members will receive a cost of living adjustment of three percent on that portion of the member's benefit based on all years and partial years of credited service earned prior to October 1, 2014. On October 1st following retirement and each October 1st thereafter, such members shall receive a blended cost of living adjustment based on their years of credited service earned before and after October 1, 2014. Beneficiaries and joint annuitants of deceased service retirees shall receive adjustments as provided for herein, based on the age of the deceased retiree.

(f) and (g) no change

(h) Participation in the Florida Retirement System. Effective October 1, 2014, or as soon thereafter as administratively feasible, the City will join the Florida Retirement System (FRS), and this system will be closed to new members. Firefighters hired on or after the date the city joins FRS October 1, 2014 shall become compulsory members of the Florida Retirement System and shall not be eligible for membership in this system. Firefighters hired before the date the city joins FRS October 1, 2014 who are members of this system on the date the city joins FRS September 30, 2014 may elect to participate in FRS or continue participating in this system. The accrued benefits earned under this system prior to the date the city joins FRS October 1, 2014 by members who are employed on the date the city joins FRS September 30, 2014 and elect to join the Florida Retirement System will be frozen on that date, based on the member's average final compensation and credited service on the date the city joins FRS September 30, 2014. Such members shall be 100% vested in their frozen accrued benefit under this system. The frozen accrued benefit shall be payable when the member reaches the early retirement date, if applicable, or normal retirement date, and separates from city employment. Eligibility for participation in the FRS, as well as FRS benefits and contributions, will be determined in accordance with Chapter 121, Florida Statutes, as that statute now exists and as it may be amended in the future.

**SECTION 6.** To the extent of any conflict between the provisions of this Ordinance, and any other Ordinance, Resolution, or Agreement of the City of Venice, Florida, the provisions of this Ordinance shall prevail.

**SECTION 7.** Severability. If for any reason a provision of this Ordinance or the application thereof to any person, group of persons, or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of the Ordinance are severable.

**SECTION 8.** Effective Date. This Ordinance shall take effect immediately upon its adoption, as required by law.

**PASSED BY THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA, THIS 26TH DAY OF AUGUST 2014.**

First Reading: August 12, 2014

Final Reading: August 26, 2014

Adoption: August 26, 2014

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John W. Holic, Mayor

**Attest:**

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Lori Stelzer, MMC, City Clerk

**Approved as to form:**

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City Attorney