

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KEY WEST, FLORIDA, AMENDING CHAPTER 46, SECTION 323 OF THE POLICE AND FIRE PENSION PLAN TO ADJUST PROVISIONS FOR MILITARY SERVICE BUYBACKS/REEMPLOYMENT; ADDING PROVISIONS FOR PRIOR POLICE SERVICE BUYBACKS; ADDING PROVISIONS FOR PRIOR FIRE SERVICE BUYBACKS; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Board of Trustees of the Police Officers' and Firefighters' Retirement Plan has recommended passage of this Ordinance; and

WHEREAS, the City Commission finds that this ordinance will best serve the interest of the police officers and citizens of Key West; and

WHEREAS, The City Commission and the Police Benevolent Association have negotiated and bargained for changes to the buyback ordinance,

NOW, THEREFORE, BE IT ORDAINED by the City of Key West, Florida:

Section 1: That Section 46-323 of the Code of Ordinances is hereby amended to read as follows*:

Sec. 46-323. - Buybacks/reemployment.

~~(a) Any member of the plan who is employed by the city prior to entry into military service and who takes a leave of absence for the purpose of entering into military service in~~

~~the armed forces of the United States and thereafter reenters the employ of the city, within one year from the date of his release from active service shall have up to five years of credited service added to his years of actual credited service with the city, at no cost to the member. The amount of credit to be added shall coincide with the member's actual time served in the military.~~

Military Interruption- Any member of the plan who is employed by the city prior to entry into military service and who takes a leave of absence for the purpose of entering into military service in the armed forces of the United States and thereafter reenters the employ of the city, within one year from the date of his release from active service shall have up to five years of credited service added to his years of actual credited service with the city, at no cost to the member except as otherwise provided herein. The amount of credit to be added shall coincide with the member's actual time served in the military.

*(Coding: Added language is underlined; deleted language is struck through.)

~~(b) A member who is receiving or will receive a pension benefit for military service in any other pension plan supported by public funds may not use that service for this pension plan. A member who is receiving or will receive any other pension in which time served in the military was used by the employee in that other pension plan shall not be eligible for military buyback as provided in this section.~~ Prior Military- Any member who has successfully completed all of the terms of the probationary period for the City of Key West and who has served on active military duty in the Armed Forces of the United States prior to entry or re-entry into the plan may receive credit for a maximum of five (5) years of military service time in the plan, provided the member has not received and will not receive a benefit from another retirement plan based on such prior service, and provided that for each year being purchased the member pays to the plan the full actuarial cost of the buyback. Members purchasing military service credit shall provide the Board of Trustees with proof of the prior service with honorable separation.

~~(c) Reemployment by the city, other than as a full-time civil servant, shall not affect receipt of benefits from the plan. If a retiree is reemployed as a full-time civil service employee in a position covered by this plan, receipt of benefits shall be suspended for the period of reemployment. Upon ending the period~~

~~of reemployment, benefits shall be recommenced, taking into account any additional credited service or change in final monthly compensation. Notwithstanding the foregoing, if a police officer member retires from the plan, and is subsequently reemployed as a firefighter, or if a firefighter retires from the plan, and is subsequently reemployed as a police officer, the reemployed member may continue to receive their retirement benefit from the plan, and shall be enrolled in the plan as a newly hired member.~~ Prior Police Service- Any member who is a police officer and who has successfully completed all of the terms of the probationary period for the City of Key West and who has been employed in a full-time position as a police officer with another government agency prior to entry or re-entry into the plan may receive credit for up to a maximum of five (5) years of such police officer employment in the plan, provided the member has not received and will not receive a benefit from another retirement plan based on such prior police officer employment, and provided that for each year being purchased the member pays to the plan the full actuarial cost of the buyback. Members purchasing prior police officer employment credit shall provide the Board of Trustees with proof of the prior qualifying employment.

~~(d) Effective October 1, 2004, police officer members who have completed at least 17 years of service, but no more than 20~~

~~years of service, may purchase an increase to the benefit multiplier to achieve a normal retirement benefit not to exceed 60 percent of his or her final monthly compensation. The police officer member must tender the entire actuarial cost of the benefit as determined by the actuary for the plan. Any benefit purchased under this subsection must, when added to the member's other accrued benefit, qualify the member for normal retirement eligibility. Additionally, in order to participate in the voluntary early retirement program created in this subsection, a member must agree to retire from the plan and separate from service with the city at the time the service purchase is completed. Any member purchasing service under this subsection may not enter the DROP. The payment for participation under this subsection must be made in one lump sum. This subsection shall expire on October 1, 2007, unless otherwise reenacted by the city commission. Prior Firefighter- Any member who is a firefighter and who has successfully completed all of the terms of the probationary period for the City of Key West and who has been employed in a full-time position as a firefighter with another government agency prior to entry or re-entry into the plan may receive credit for up to a maximum of five (5) years of such firefighter employment in the plan, provided the member has not received and will not receive a benefit from another retirement plan based on such prior~~

firefighter employment, and provided that for each year being purchased the member pays to the plan the full actuarial cost of the buyback. Members purchasing prior firefighter employment credit shall provide the Board of Trustees with proof of the prior qualifying employment.

(e) The full actuarial cost of a military, police or fire service buyback, as described in sections (b) (c) and/or (d), above, shall be calculated pursuant to the following assumptions:

(1) Full actuarial cost shall be calculated by assuming 100 basis points below the plan's assumed rate of return at the time of the request, or six and one half percent (6.5%).

(2) There shall be an assumption of zero percent (0%) turnover in calculating the contribution payment.

(3) Should the member not complete the buyback, he or she shall be granted credited service in the amount that the contribution is made support the credited service. The actuary shall compute the amount of the credited service

(f) The contribution of the full actuarial cost for any military, police or fire service buyback under this subsection required of the employee may be made in installment payments correlated to the amount of years of service being purchased, up to five (5) years. The Plan actuary shall prepare the initial and subsequent calculations (if required) related to the cost of any

military buyback under this section. The fee charged by the actuary for the calculation(s) shall be paid for by the member. There shall be no cost to the Plan or to the City for any such service credits purchased by the member.

(g) Purchased service shall only count toward retirement eligibility for those members retiring under normal or early provisions, and shall not count toward eligibility for not-in-line of duty disability benefits.

(h) Payment for additional service may be made via direct transfer or rollover of an eligible rollover distribution from a qualified retirement plan as determined by the Board of Trustees.

(i) The maximum purchase under this section shall be five (5) years when combined with credited service purchased for prior service as a police officer or firefighter in a full-time position with another government agency.

(j) A member who is receiving or will receive a pension benefit for military service in any other pension plan supported by public funds may not use that service for this pension plan. A member who is receiving or will receive any other pension in which time served in the military was used by the employee in that other pension plan shall not be eligible for military buyback as provided in this section.

~~(e)~~(k) Reemployment by the city, other than as a full-time civil servant, shall not affect receipt of benefits from the plan. If a retiree is reemployed as a full-time civil service employee in a position covered by this plan, receipt of benefits shall be suspended for the period of reemployment. Upon ending the period of reemployment, benefits shall be recommenced, taking into account any additional credited service or change in final monthly compensation. Notwithstanding the foregoing, if a police officer member retires from the plan, and is subsequently reemployed as a firefighter, or if a firefighter retires from the plan, and is subsequently reemployed as a police officer, the reemployed member may continue to receive their retirement benefit from the plan, and shall be enrolled in the plan as a newly hired member.

(l) The Board of Trustees has the authority to adopt administrative rules to implement military and prior service buybacks.

Section 2: If any section, provision, clause, phrase, or application of this Ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, the remaining provisions of this Ordinance shall be deemed severable therefrom and shall be construed as reasonable and necessary to

achieve the lawful purposes of this Ordinance.

Section 3: All Ordinances or parts of Ordinances of said City in conflict with the provisions of this Ordinance are hereby superseded to the extent of such conflict.

Section 4: This Ordinance shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Read and passed on first reading at a regular meeting held this _____ day of _____, 2017.

Read and passed on final reading at a regular meeting held this _____ day of _____, 2017.

Authenticated by the presiding officer and Clerk of the Commission on _____ day of _____, 2017.

Filed with the Clerk _____, 2017.

Mayor Craig Cates _____

Vice Mayor Clayton Lopez _____

Commissioner Sam Kaufman _____

Commissioner Richard Payne _____

Commissioner Margaret Romero _____

Commissioner Billy Wardlow _____

Commissioner Jimmy Weekley _____

CRAIG CATES, MAYOR

ATTEST:

CHERYL SMITH, CITY CLERK