

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KEY WEST,
FLORIDA, AMENDING CHAPTER 46, SECTION 113
OF THE CODE OF ORDINANCES TO EXTEND THE
DROP PARTICIPATION PERIOD FROM FIVE YEARS
TO EIGHT YEARS FOR MEMBERS OF THE GENERAL
EMPLOYEES' RETIREMENT PLAN; PROVIDING
FOR SEVERABILITY; PROVIDING FOR REPEAL OF
INCONSISTENT PROVISIONS; PROVIDING FOR
AN EFFECTIVE DATE

WHEREAS, on May 9, 2024 the City Commission passed at
the second reading an ordinance amendment changing the Police
Officers' and Firefighters' Retirement Plan to extend the
DROP participation from five years to eight years; and

WHEREAS, the City Commission finds that this ordinance
will best serve the interests of the citizens of Key West.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF KEY
WEST, FLORIDA:

Section 1: That Section 46-113 of the Code of
Ordinances is hereby amended to read as follows:

Section 46-113. - 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 or early retirement in the plan.

(c) Participation in the DROP must be exercised within the first ~~30~~ 33 years of employment; provided, however, that participation in the DROP, when combined with participation in the plan as an active member may not exceed ~~30~~ 33 years. The maximum period of participation in the DROP is ~~five~~ eight years.

(d) Upon exercising the right to participate in the DROP, an employee's creditable service, accrued benefits and final monthly compensation shall be frozen and 60 highest months of the 120 months immediately preceding participation in the DROP shall be utilized as the compensation basis.

(e) Payment shall be made into the employee's DROP account as if the employee had terminated employment in the city in an amount determined by the employee's selection of Options 1 and 2 as enumerated in section 46-107(j).

*(Coding: Added language is underlined; deleted language is ~~struck through~~ at first reading. Added language is double underlined and ~~double struck through~~ at second reading.)

(f) An employee's account in the DROP program shall earn or lose interest based upon the actual earnings of the plan for the preceding year.

(g) An employee shall terminate service with the city at the conclusion of ~~five~~ eight years in the DROP.

(h) All interest shall be credited to the employee's DROP account at the end of the DROP period.

(i) Upon termination with the city, an employee shall receive payment within 45 days of the member's request for payment.

(j) Payments from the DROP may be received as a lump sum, or by rollover to an eligible retirement plan; provided, however, that at all times, the DROP shall be subject to the provisions of the Internal Revenue Code.

(k) No payment may be made from the DROP until the employee actually separates from service with the city.

(l) 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.

(m) 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.

(n) Employees who are currently in the DROP as of the effective date of this ordinance may elect in writing to extend their DROP participation time to eight 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. 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 eight years from initial entry into the DROP.

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 _____, 2024.

Read and passed on final reading at a regular meeting
held this _____ day of _____, 2024.

Authenticated by the presiding officer and Clerk of
the Commission on _____ day of _____, 2024.

Filed with the Clerk _____, 2024.

Mayor Teri Johnston	_____
Vice Mayor Sam Kaufman	_____
Commissioner Lisette Carey	_____
Commissioner Mary Lou Hoover	_____
Commissioner Clayton Lopez	_____
Commissioner Billy Wardlow	_____
Commissioner Jimmy Weekley	_____

TERI JOHNSTON, MAYOR

ATTEST:

KERI O'BRIEN, CITY CLERK