CITY OF JACKSONVILLE BEACH

FLORIDA

MEMORANDUM TO:

The Honorable Mayor and
Members of the City Council
City of Jacksonville Beach, Florida

Council Members:

The following Agenda of Business has been prepared for consideration and action at the Regular Meeting of the City Council on **Monday, February 17, 2014, at 7:00 P.M. in the Council Chambers, 11 North Third Street, Jacksonville Beach, Florida.**

Opening Ceremonies: Invocation
Salute to the Flag

Roll Call

1. **APPROVAL OF MINUTES:**

   - Regular City Council Meeting held February 3, 2014

2. **ANNOUNCEMENTS:**

3. **COURTESY OF THE FLOOR TO VISITORS:**

4. **MAYOR AND CITY COUNCIL:**

5. **CITY CLERK:**

6. **CITY MANAGER:**

   (a) Acceptance of the Independent Auditor's Report on the General Purpose Financial Statements of the City of Jacksonville Beach for the Fiscal Year Ending September 30, 2013

   (b) Monthly Financial Report – Month of January 2014

   (c) Presentation by Jacksonville Transportation Authority for the Proposed Implementation of a Bus Rapid Transit System Connecting the Downtown Area with Jacksonville Beach

   (d) Approve the Award of RFP #03-1314 Titled Parking Management Operations Services to the Highest Ranked Respondent, Lanier Parking Solutions

(e) Award Unit Price Bid Number 1314-02, "Water and Wastewater Treatment Chemicals" to the Lowest, Responsive and Responsible Bidder by Bid Item

(f) Award Bid 1314-01, Titled "Lift Stations # 7 & # 9 Renovation Projects" to the Lowest Bidder for Each Lift Station

7. **RESOLUTIONS:**

8. **ORDINANCES:**

(a) ORDINANCE NO. 2014-8047 – Second Reading

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 5, 'GENERAL EMPLOYEES' RETIREMENT SYSTEM' OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH; TO PROVIDE FOR COMPLIANCE WITH THE INTERNAL REVENUE CODE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR CODIFICATION AND PROVIDING AN EFFECTIVE DATE.

(b) ORDINANCE NO. 2014-8048 – Second Reading

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 6, 'POLICE OFFICERS' RETIREMENT SYSTEM' OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH; TO PROVIDE FOR COMPLIANCE WITH THE INTERNAL REVENUE CODE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR CODIFICATION AND PROVIDING AN EFFECTIVE DATE.

(c) ORDINANCE NO. 2014-8049 – Second Reading

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 7, 'FIREFIGHTERS' RETIRMENT SYSTEM' OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH; TO PROVIDE FOR COMPLIANCE WITH THE INTERNAL REVENUE CODE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HWEREWITH; PROVIDING FOR CODIFICATION AND PROVIDING AN EFFECTIVE DATE.

(d) ORDINANCE NO. 2014-8044 – Second Reading

AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, AMENDING CHAPTER 2, ARTICLE V OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, "EMPLOYEE BENEFITS," DIVISION 5, RETIREMENT PLAN FOR GENERAL EMPLOYEES OF THE CITY OF JACKSONVILLE BEACH, TO PROVIDE FOR PERMITTING DEPARTMENT HEADS THE OPTION TO RESCIND THEIR ELECTION TO PARTICIPATE IN THE PLAN ONE TIME BEFORE VESTING; TERMS GOVERNING THE BUY-IN AND BUY-OUT OF SERVICE CREDIT RELATED TO SUCH ELECTIONS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

(e) ORDINANCE NO. 2014-8045 – Second Reading

AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, AMENDING CHAPTER 2, ARTICLE V OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, "EMPLOYEE BENEFITS," DIVISION 6, RETIREMENT PLAN FOR POLICE OFFICERS OF THE CITY OF JACKSONVILLE BEACH, TO PROVIDE FOR PERMITTING THE POLICE CHIEF THE OPTION TO RESCIND THEIR ELECTION TO PARTICIPATE IN THE PLAN ONE TIME BEFORE VESTING; TERMS GOVERNING THE BUY-IN AND BUY-OUT OF SERVICE CREDIT RELATED TO SUCH ELECTIONS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

(f) ORDINANCE NO. 2014-8046 – Second Reading

AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, AMENDING CHAPTER 2, ARTICLE V OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, "EMPLOYEE BENEFITS," DIVISION 7, RETIREMENT PLAN FOR FIREFIGHTERS OF THE CITY OF JACKSONVILLE BEACH, TO PROVIDE FOR PERMITTING THE FIRE CHIEF THE OPTION TO RESCIND THEIR ELECTION TO PARTICIPATE IN THE PLAN ONE TIME BEFORE VESTING; TERMS GOVERNING THE BUY-IN AND BUY-OUT OF SERVICE CREDIT RELATED TO SUCH ELECTIONS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

ADJOURNMENT

Respectfully submitted,

/s/George D. Forbes
CITY MANAGER

GDF:cmm
02/13/14

If a person decides to appeal any decision made by the City Council with respect to any matter considered at any meeting, such person may need a record of the proceedings and, for such purpose, such person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

The public is encouraged to speak on issues on this Agenda that concern them. Anyone who wishes to speak should submit the request to the City Clerk prior to the beginning of the meeting. These forms are available at the entrance of the City Council Chambers for your convenience.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the City Clerk's Office at (904) 247-6299, ext. 10, no later than 12:00 PM, Friday, February 14, 2014.

Minutes of Regular City Council Meeting
held Monday, February 3, 2014, at 7:00 P.M.
in the Council Chambers, 11 North 3rd Street,
Jacksonville Beach, Florida.

CALL TO ORDER:

Mayor Charlie Latham called the meeting to order.

OPENING CEREMONIES:

Invocation was by Council Member Vogelsang; followed by the Salute to the Flag.

ROLL CALL:

Mayor: William C. Latham

Council Members: Keith Doherty, Steve Hartkemeyer *(absent)*, Christine Hoffman, Tom Taylor, Phil Vogelsang, Jeanell Wilson

Also present were City Manager George Forbes, Judy Bullock, City Clerk, and City Department Directors.

APPROVAL OF MINUTES

It was moved by Mr. Taylor, seconded by Mr. Vogelsang, and passed, to approve the following minutes, as presented:

- Regular City Council Meeting held January 21, 2014

ANNOUNCEMENTS

Councilmember Taylor–

- Mr. Taylor announced that the BEAM Beach Ball was a great success. He added that the event was held at the Sawgrass Marriott.

Councilmember Wilson –

- Ms. Wilson advised that the next Art Walk would be held on Tuesday, February 11, 2014. She added that the event has been advantageous for the area businesses.

Mayor Latham –

- Mayor Latham stated that he and Police Chief Dooley held a Town Hall meeting on January 30, 2014, with approximately 175 Fletcher Middle School students, parents and staff. He

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added that there were some great insightful comments from the students and they are looking forward to establishing a Junior Council.

- Mayor Latham announced that the charity event, ***"Chariots of Fur"*** would be held on Saturday, February 8, 2014, at 8:30 a.m. He advised that the proceeds are used to help fund the St. Francis Animal Hospital and added that the animal hospital provides veterinary services to animals in need.

COURTESY OF THE FLOOR TO VISITORS

- Mick DuRocher, 41 Millie Drive, Jacksonville Beach
  Mr. DuRocher commented that the Downtown area seems to demand a great amount of time and effort. He also apologized to the Council for some comments he made regarding their ability to choose what type of businesses the City needs.

- Bruce Thomason, former Police Chief, Jacksonville Beach
  Mr. Thomason advised he had seen a marquee on First Street, in front of an alcohol establishment that read, "I know my limit; if I fall I've had enough". He added that the City does not wish to send that type of message to citizens or visitors.

MAYOR AND CITY COUNCIL

CITY CLERK

CITY MANAGER

RESOLUTIONS

ORDINANCES

(a) **ORDINANCE NO. 2013-8037 – SECOND READING**

Mayor Latham requested that the City Clerk read Ordinance No. 2013-8037, by title only; whereupon Ms. Bullock read the following:

> **"AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 6, 'POLICE OFFICERS' RETIREMENT SYSTEM' OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH; TO PROVIDE FOR A MODIFICATION TO THE PARAMETERS FOR INVESTMENT OF ASSETS OF THE RETIREMENT SYSTEM; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL**

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ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR CODIFICATION AND PROVIDING AN EFFECTIVE DATE."

Motion: It was moved by Mr. Taylor, seconded by Mr. Vogelsang, to adopt Ordinance No. 2013-8037, amending Chapter 2. Article V, Division 6, 'Police Officers' Retirement System', of the Code of Ordinances of the City of Jacksonville Beach to allow for changes in the investment policy for the Police Officers' pension plan.

Mr. Forbes explained that there are three ordinances *(2013-8037, 2013-8038, 2013-8039)*, one for each of the pension plans, Fire, General, and Police and each ordinance addresses the same issue. They allow an increase in the maximum investment in equities to go from 50% to 65%, and change the measurement of equity investments from a cost basis to a market value. The ordinances also allow a maximum investment in real estate of 10%.

Roll call vote: Ayes - Doherty, Hoffman, Taylor, Vogelsang, Wilson, and Mayor Latham; motion carried unanimously.

(b) <u>ORDINANCE NO. 2013-8038 – SECOND READING</u>

Mayor Latham requested that the City Clerk read Ordinance No. 2013-8038, by title only; whereupon Ms. Bullock read the following:

"AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 7, 'FIREFIGHTERS' RETIREMENT SYSTEM' OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH; TO PROVIDE FOR A MODIFICATION TO THE PARAMETERS FOR INVESTMENT OF ASSETS OF THE RETIREMENT SYSTEM; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR CODIFICATION AND PROVIDING AN EFFECTIVE DATE."

Motion: It was moved by Mr. Taylor, seconded by Mr. Vogelsang, to adopt Ordinance No. 2013-8038, amending Chapter 2. Article V, Division 7, 'Firefighters' Retirement System', of the Code of Ordinances of the City of Jacksonville Beach to allow for changes in the investment policy for the Firefighters' pension plan.

Roll call vote: Ayes - Hoffman, Taylor, Vogelsang, Wilson, Doherty, and Mayor Latham; motion carried unanimously.

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(c) <u>ORDINANCE NO. 2013-8039 – SECOND READING</u>

Mayor Latham requested that the City Clerk read Ordinance No. 2013-8039, by title only; whereupon Ms. Bullock read the following:

> **"AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 5, 'GENERAL EMPLOYEES' RETIREMENT SYSTEM' OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH; TO PROVIDE FOR A MODIFICATION TO THE PARAMETERS FOR INVESTMENT OF ASSETS OF THE RETIREMENT SYSTEM; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR CODIFICATION AND PROVIDING AN EFFECTIVE DATE."**

Motion: It was moved by Mr. Taylor, seconded by Mr. Vogelsang, to adopt Ordinance No. 2013-8039, amending Chapter 2. Article V, Division 5, 'General Employees' Retirement System', of the Code of Ordinances of the City of Jacksonville Beach to allow for changes in the investment policy for the General Employees' pension plan.

Roll call vote: Ayes - Taylor, Vogelsang, Wilson, Doherty, Hoffman, and Mayor Latham; motion carried unanimously.

(d) <u>ORDINANCE NO. 2014-8041 – SECOND READING</u>

Mayor Latham requested that the City Clerk read Ordinance No. 2014-8041, by title only; whereupon Ms. Bullock read the following:

> **"AN ORDINANCE AMENDING CHAPTER 12, "FOOD AND FOOD PRODUCTS", OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, BY ADDING A SECTION 12-33, "MOBILE FOOD VENDING" ESTABLISHING DEFINITIONS; LOCATION, PERMIT, AND SEPARATION REQUIREMENTS; SIGNAGE AND NOISE, HOURS OF OPERATION, WASTE MANAGEMENT, LICENSING AND PERMITS REQUIRED, APPLICATION SUBMITTAL REQUIREMENTS, AND ENFORCEMENT PROCEDURES FOR THE OPERATION OF MOBILE FOOD VENDING BUSINESSES IN THE CITY OF JACKSONVILLE BEACH; SETTING AN EXPIRATION ("SUNSET") DATE FOR THIS ORDINANCE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING FOR**

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SEVERABILITY; PROVIDING FOR CODIFICATION; AND PROVIDING FOR AN EFFECTIVE DATE."

Motion: It was moved by Mr. Taylor, seconded by Mr. Vogelsang, to adopt Ordinance No. 2014-8041, amending Chapter 12, Food and Food Products, of the Code of Ordinances of Jacksonville Beach, by providing new definitions, regulations, and permitting requirements related to *Mobile food vendors* and *Mobile food vending vehicles*, and by providing an expiration date.

Mr. Forbes advised that the next three ordinances *(2014-8041, 2014-8042, 2014-8043)* deal with the operation of *Mobile Food Trucks*. The ordinance currently under consideration sets the regulations. *Mobile Food Trucks* can only be on private property, there can be one food truck if the property is at least 6,000 square feet to an acre, and properties greater than an acre can have two food trucks. The trucks must be removed each night to a commissary and there is a sunset date for this pilot project of April 30, 2015. Mr. Forbes added that regulations for grease, trash, etc. are also outlined in the ordinance.

Roll call vote: Ayes - Vogelsang, Doherty, Hoffman, Taylor, and Mayor Latham;
Nays - Wilson. Motion carried by a vote of 5 to 1.

(e) <u>ORDINANCE NO. 2014-8042 – SECOND READING – PUBLIC HEARING</u>

Mayor Latham requested that the City Clerk read Ordinance No. 2014-8042, by title only; whereupon Ms. Bullock read the following:

"AN ORDINANCE TO AMEND AN ORDINANCE ENACTING AND ESTABLISHING A COMPREHENSIVE LAND DEVELOPMENT REGULATION AND OFFICIAL ZONING MAP FOR THE INCORPORATED AREA OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, AS AUTHORIZED BY CHAPTER 163.3202, FLORIDA STATUTES, BY ADDING NEW DEFINITIONS AND MOBILE FOOD VENDORS AS A PERMITTED USE IN THE COMMERICAL LIMITED: C-1, COMMERCIAL GENERAL: C-2, COMMERCIAL SERVICE: CS, CENTRAL BUSINESS DISTRICT: CBD; AND CERTAIN REDEVELOPMENT DISTRICT: RD AND PLANNED UNIT DEVELOPMENT: PUD ZONING DISTRICTS; TO REPEAL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND FOR OTHER PURPOSES."

Motion: It was moved by Mr. Taylor, seconded by Mr. Vogelsang, to adopt Ordinance No. 2014-8042, amending the text of the Land Development Code to provide definitions for *Mobile food vending vehicle* and *Mobile food vendor*, and to add

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Mobile food vendor, and to add *Mobile Food Vendors* to the list of permitted uses in C-1, C-2, CS, and CDB zoning districts and to permit same in existing RD and certain existing PUD zoning districts

Mr. Forbes explained that this ordinance establishes the zoning areas where *Mobile Food Trucks*, can operate. They can set up in the following zoning districts: C-1 - light commercial; C-2 - general commercial; CS - commercial service; CBD – central business district; RD – redevelopment district; and certain existing PUDs.

Public Hearing

Mayor Latham opened the Public Hearing.

There being no one who wished to address the Council, Mayor Latham closed the Public Hearing.

Roll call vote: Ayes - Wilson, Doherty, Hoffman, Taylor, Vogelsang, and Mayor Latham; motion carried unanimously.

(f) <u>ORDINANCE NO. 2014-8043 – SECOND READING</u>

Mayor Latham requested that the City Clerk read Ordinance No. 2014-8043, by title only; whereupon Ms. Bullock read the following:

"AN ORDINANCE AMENDING CHAPTER 2, "*ADMINISTRATION*", OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, BY ADDING A NEW PARAGRAPH (6) TO SECTION 2-173, "*JURISDICTION OF SPECIAL MAGISTRATE*" PLACING ENFORCEMENT OF CHAPTER 12 "FOOD AND FOOD PRODUCTS" UNDER THE JURISDICTION AND AUTHORITY OF THE SPECIAL MAGISTRATE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; AND PROVIDING FOR AN EFFECTIVE DATE.."

Motion: It was moved by Mr. Taylor, seconded by Mr. Vogelsang, to adopt Ordinance No. 2014-8043, amending Section 2-173 *Jurisdiction of the Special Magistrate* of Chapter 2 *Administration* of the Jacksonville Beach Code of Ordinances placing the regulation of food trucks under the jurisdiction of the Special Magistrate.

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Mr. Forbes stated that this ordinance places the regulations for operation of *Mobile Food Trucks*, to be enforced by the Special Magistrate.

Ms. Hoffman asked when the City would be ready for food trucks to operate. Mr. Forbes responded that administration would be prepared by Monday.

Mr. Vogelsang advised that "*Business Insider*" ran an article on the top 150 exciting suburbs to live and Jacksonville Beach was ranked seventh and ranked fourth for active life options. Mr. Vogelsang read the article, which showed Jacksonville Beach in a very positive way.

Mayor Latham extended his appreciation to City staff for their efforts to find a fair compromise for the Food Truck Pilot Program.

Roll call vote: Ayes - Doherty, Hoffman, Taylor, Vogelsang, Wilson, and Mayor Latham; motion carried unanimously.

(g) <u>ORDINANCE NO. 2014-8047 – First Reading</u>

Mayor Latham requested that the City Clerk read Ordinance No. 2014-8047, by title only; whereupon Ms. Bullock read the following:

> **"AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 5, 'GENERAL EMPLOYEES' RETIREMENT SYSTEM' OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH; TO PROVIDE FOR COMPLIANCE WITH THE INTERNAL REVENUE CODE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR CODIFICATION AND PROVIDING AN EFFECTIVE DATE."**

Motion: It was moved by Mr. Taylor, seconded by Mr. Vogelsang, to adopt Ordinance No. 2014-8047, amending Chapter 2, Article V, Division 5, 'General Employees' Retirement System', of the Code of Ordinances of the City of Jacksonville Beach to comply with IRS requirements and the favorable Determination Letter.

Mr. Forbes advised that there are three ordinances *(2014-8047, 2014-8048, 2014-8049)* that pertain to IRS regulations in the City's three pension plans.

City Pension Attorney Ken Harrison, 100 Miracle Mile, Coral Gables, Florida, explained the purpose of the three ordinances. Mr. Harrison advised in the past, the IRS allowed pension plans to adopt their regulations by reference. Now, the IRS requires that the pension plans must specify the regulations in detail. He added that the City's three plans have received IRS Determination Letters, which means that the pension plans are considered to be in

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compliance with IRS regulations, provided that the plans adopt the IRS language. Mr. Harrison advised that they are in the process of applying for new IRS Determination Letters, which will be in effect for five years. This process requires the pension plans to notify the IRS of any changes to the pension plans for the past five years along with any IRS regulation changes and apply for new Determination Letters.

Mr. Forbes added that the ordinances do not change pension benefits, or the way they are calculated.

Mr. Harrison stated that the actuary has prepared an impact statement that shows there is no financial impact to cost or benefits.

Mr. Forbes advised that the impact statements would be prepared by the second reading of the ordinances.

Ms. Wilson asked if the City should make any changes to the pension plans, would that require the City to immediately report the changes to the IRS and apply for a new Determination Letters. She also asked if the IRS language is mandatory to be in the pension plans..

Mr. Harrison responded that the Plans must report and apply for Determination Letters every five years and any changes would be reported at that time. He added that inclusion of the IRS language is required.

Roll call vote: Ayes - Hoffman, Taylor, Vogelsang, Wilson, Doherty, and Mayor Latham; motion carried unanimously.

(h) <u>ORDINANCE NO. 2014-8048 – First Reading</u>

Mayor Latham requested that the City Clerk read Ordinance No. 2014-8048, by title only; whereupon Ms. Bullock read the following:

> **"AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 6, 'POLICE OFFICERS' RETIREMENT SYSTEM' OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH; TO PROVIDE FOR COMPLIANCE WITH THE INTERNAL REVENUE CODE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR CODIFICATION AND PROVIDING AN EFFECTIVE DATE."**

Motion: It was moved by Mr. Taylor, seconded by Mr. Vogelsang, to adopt Ordinance No. 2014-8048, amending Chapter 2, Article V, Division 6, 'Police Officers'

Retirement System', of the Code of Ordinances of the City of Jacksonville Beach to comply with IRS requirements and the favorable Determination Letter.

Roll call vote: Ayes - Taylor, Vogelsang, Wilson, Doherty, Hoffman, and Mayor Latham; motion carried unanimously.

(i) <u>ORDINANCE NO. 2014-8049 – First Reading</u>

Mayor Latham requested that the City Clerk read Ordinance No. 2014-8049, by title only; whereupon Ms. Bullock read the following:

"AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 7, 'FIREFIGHTERS' RETIRMENT SYSTEM' OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH; TO PROVIDE FOR COMPLIANCE WITH THE INTERNAL REVENUE CODE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR CODIFICATION AND PROVIDING AN EFFECTIVE DATE."

Motion: It was moved by Mr. Taylor, seconded by Mr. Vogelsang, to adopt Ordinance No. 2014-8049, amending Chapter 2, Article V, Division7, 'Firefighters' Retirement System', of the Code of Ordinances of the City of Jacksonville Beach to comply with IRS requirements and the favorable Determination Letter.

Roll call vote: Ayes - Vogelsang, Wilson, Doherty, Hoffman, Taylor, and Mayor Latham; motion carried unanimously.

(j) <u>ORDINANCE NO. 2014-8044 – First Reading</u>

Mayor Latham requested that the City Clerk read Ordinance No. 2014-8044, by title only; whereupon Ms. Bullock read the following:

"AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, AMENDING CHAPTER 2, ARTICLE V OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, "EMPLOYEE BENEFITS," DIVISION 5, RETIREMENT PLAN FOR GENERAL EMPLOYEES OF THE CITY OF JACKSONVILLE BEACH, TO PROVIDE FOR PERMITTING DEPARTMENT HEADS THE OPTION TO RESCIND THEIR ELECTION TO PARTICIPATE IN THE PLAN ONE TIME BEFORE VESTING; TERMS GOVERNING THE BUY-IN AND BUY-OUT OF SERVICE CREDIT RELATED TO SUCH

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ELECTIONS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE."

Motion: It was moved by Mr. Taylor, seconded by Mr. Vogelsang, to adopt Ordinance No. 2014-8044, amending Chapter 2, Article V, Division 5, 'General Employees' Retirement System', of the Code of Ordinances of the City of Jacksonville Beach.

Mr. Forbes explained that for several years now, department heads are not required to participate in the pension plans. The same applies to City Managers because they are not usually in a city for ten years, which is the amount of time required to be vested (eligible to receive pension benefits). The three Ordinances, *2014-8044 - General Employees', 2014-8045 - Firefighters', and 2014-8046 - Police Officers'* allow Department Directors, the Fire Chief, and the Police Chief, a one-time option to rescind their election to participate in the pension system before they vest.

Roll call vote: Ayes - Wilson, Doherty, Hoffman, Taylor, Vogelsang, and Mayor Latham; motion carried unanimously.

(k) <u>ORDINANCE NO. 2014-8045 – First Reading</u>

Mayor Latham requested that the City Clerk read Ordinance No. 2014-8045, by title only; whereupon Ms. Bullock read the following:

"AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, AMENDING CHAPTER 2, ARTICLE V OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, "EMPLOYEE BENEFITS," DIVISION 6, RETIREMENT PLAN FOR POLICE OFFICERS OF THE CITY OF JACKSONVILLE BEACH, TO PROVIDE FOR PERMITTING THE POLICE CHIEF THE OPTION TO RESCIND THEIR ELECTION TO PARTICIPATE IN THE PLAN ONE TIME BEFORE VESTING; TERMS GOVERNING THE BUY-IN AND BUY-OUT OF SERVICE CREDIT RELATED TO SUCH ELECTIONS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE."

Motion: It was moved by Mr. Taylor, seconded by Mr. Vogelsang, to adopt Ordinance No. 2014-8045, amending Chapter 2, Article V, Division 6, 'Police Officers' Retirement System', of the Code of Ordinances of the City of Jacksonville Beach.

Roll call vote: Ayes - Doherty, Hoffman, Taylor, Vogelsang, Wilson, and Mayor Latham; motion carried unanimously.

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(l) <u>ORDINANCE NO. 2014-8046 – First Reading</u>

Mayor Latham requested that the City Clerk read Ordinance No. 2014-8046, by title only; whereupon Ms. Bullock read the following:

> **"AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, AMENDING CHAPTER 2, ARTICLE V OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, "EMPLOYEE BENEFITS," DIVISION 7, RETIREMENT PLAN FOR FIREFIGHTERS OF THE CITY OF JACKSONVILLE BEACH, TO PROVIDE FOR PERMITTING THE FIRE CHIEF THE OPTION TO RESCIND THEIR ELECTION TO PARTICIPATE IN THE PLAN ONE TIME BEFORE VESTING; TERMS GOVERNING THE BUY-IN AND BUY-OUT OF SERVICE CREDIT RELATED TO SUCH ELECTIONS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE."**

Motion: It was moved by Mr. Taylor, seconded by Mr. Vogelsang, to adopt Ordinance No. 2014-8046, amending Chapter 2, Article V, Division 7, 'Firefighters' Retirement System', of the Code of Ordinances of the City of Jacksonville Beach.

Roll call vote: Ayes - Hoffman, Taylor, Vogelsang, Wilson, Doherty, and Mayor Latham; motion carried unanimously.

<u>ADJOURNMENT</u>

There being no further business coming before the Council, Mayor Latham adjourned the meeting at 7:42 p.m.

Submitted by: Judy L. Bullock
City Clerk

Approval:

_____

William C. Latham, Mayor

Date: February 17, 2014

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JACKSONVILLE BEACH

City of
Jacksonville Beach
City Hall
11 North Third Street
Jacksonville Beach
FL 32250
Phone: 904.247 6274
Fax: 904.270 1 642

www.jacksonvillebeach.org

FINANCE

February 7, 2014

MEMORANDUM

TO: George D. Forbes
City Manager

From: Harry E. Royal
Finance Officer

RE: Audit Report for the Fiscal Year Ending September 30, 2013

ACTION REQUESTED:

Acceptance of the independent auditor's report on the general purpose financial statements of the City of Jacksonville Beach for the fiscal year ending September 30, 2013.

BACKGROUND:

A copy of the City's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2013 has been provided for your review. We have scheduled a workshop for 6:00 P.M. on February 17, 2014 to discuss the report with the City Council. We again received an unqualified audit opinion on our annual financial report. In addition, the auditors have found no major deficiencies in internal controls or any compliance violations of any laws or regulations. If you or the Mayor and Council Members have any questions for me prior to the workshop, please give me a call at 247-6274.

We will submit this report to the Government Finance Officers Association for the Certificate of Achievement Award for Financial Reporting. Last year we were one of only 1,913 cities (36,010 cities in the United States) that received this award nationwide.

RECOMMENDATION:

Accept the Comprehensive Annual Financial Report for fiscal year ending September 30, 2013.

JACKSONVILLE TRANSPORTATION AUTHORITY

Edward E. Burr
Chairman

Steve Diebenow
Vice Chairman

Donna L. Harper
Secretary

Scott L. McCaleb
Treasurer

Greg Evans
Board Member

Ava L. Parker
Board Member

Isaiah Rumlin
Board Member

Nathaniel P. Ford Sr.
CEO

November 26, 2013

The Honorable Charlie Latham
Mayor, City of Jacksonville Beach
11 N. Third Street
Jacksonville Beach, FL 32250

Dear Mayor Latham,

JTA, in cooperation with the Federal Transit Administration, is conducting an East Corridor Environmental Assessment study for proposed implementation of a bus rapid transit (BRT) system, connecting the Downtown area with Jacksonville Beach. The 14-mile corridor begins at the Rosa Park Station on Union Street and ends at Beach Boulevard and 3rd Street.

To kick off the study, JTA is conducting an open house on Thursday, December 12th from 5-7 p.m. at the Florida State College Jacksonville South Campus, Nathan H. Wilson Center for the Arts Building (Lakeside Conference Room), located at 11901 Beach Boulevard. We will share project information and seek public comment about the project features, station alternatives and potential impacts. There will be a slide show describing the project, and JTA staff and consultants will be available to answer questions.

We would like to invite you to stop by during the meeting or, if you prefer, JTA staff would be available for personal briefings either before or after the meeting date. Please contact Winova Hart-Mayer, Communications Outreach Coordinator, at 630-3185 to schedule a mutually convenient time to meet. JTA would also be pleased to attend any constituent meetings in your district to further explain our project. Thank you for your interest.

Sincerely,

Brad Thoburn
Vice President, Long Range Planning and System Development

P.O. Drawer "O"
100 N. Myrtle Ave.
Jacksonville, FL 32203
Tel: 904.630.3181
Fax: 904.630.3166

www.jtafla.com

EAST CORRIDOR BUS RAPID TRANSIT

Next Steps

Scoping Comment Period
December 12, 2013 through January 12, 2014

Alternatives Meeting
Spring 2014

Public Hearing
Spring/Summer 2014

Comments

Please submit comments by January 12, 2014 to:

Jacksonville Transportation Authority
Ms. Suraya Teeple, AICP, Principal Planner
100 North Myrtle Avenue
Jacksonville, FL 32204
Phone: (904) 598-8711
Email: Steeple@jtafla.com

Federal Transit Administration - Region IV
Mr. Keith Melton, Community Planner
230 Peachtree Street, NW, Suite 800
Atlanta, GA 30303
Phone: (404) 865-5614
Email: Keith.Melton@dot.gov

Environmental Assessment Study
Scoping Meeting
December 12, 2013

Welcome!

The Jacksonville Transportation Authority (JTA), following Federal Transit Administration (FTA) guidelines, is planning a Bus Rapid Transit (BRT) system that addresses our growing local and regional mobility needs.

The purpose of tonight's meeting is to kick off the study, share information about the project features and environmental assessment, and receive your comments. It is called a scoping meeting because it is the first step in the process to identify issues or concerns and define the scope of the project and evaluation.

BRT EAST CORRIDOR

Station Areas

1. Regency Square
2. Southside Boulevard at Ivey Road
3. Southside Boulevard at Beach Boulevard
4. Beach Boulevard at Cortez Road
5. Beach Boulevard at Central Parkway/FSCJ
6. Beach Boulevard at Kernan Boulevard
7. Beach Boulevard at Hodges Boulevard
8. Beach Boulevard at Suni Pines Boulevard
9. Beach Boulevard at San Pablo Road
10. Beach Boulevard at Penman Road
11. Beach Boulevard at 3rd Street
12. Southside Boulevard at Gate Parkway
13. Town Center Parkway at Big Island Drive
14. Town Center Parkway at Mid Town Parkway
15. University of North Florida

FEATURES

- Branded premium transit service
- 10-minute peak and 15-minute off-peak headways
- New low-floor "Green" buses
- Major transit stations or stops ½ to three miles apart
- Real-time travel information
- Transit Signal Priority that will enable traffic signals to extend green time for buses reducing congestion and delays
- Queue Jump or bypass lanes to allow buses to move to the front of the line at traffic signals. In some cases, we may add a bus-only right lane signal to allow buses to proceed first through the intersection before cars.

- **Shorter wait times**
- **Improved travel times**
- **Enhanced schedule reliability**
- **Easier transfers**
- **Greater customer satisfaction**

100 North Myrtle Avenue | Jacksonville, FL 32204
Phone (904) 630-3181 | Fax (904) 630-3166 | www.jtafla.com

JACKSONVILLE BEACH

City of
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Police Department
101 Penman Road, South
Jacksonville Beach
FL 32250
Phone: 904.247.6343
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POLICE DEPARTMENT
Patrick K. Dooley
Chief of Police

TO: George D. Forbes, City Manager

FROM: Patrick K. Dooley, Chief of Police

DATE: February 10, 2014

RE: Award RFP 03-1314 – Parking Management Operations Services

ACTION REQUESTED:

Approve the award of RFP # 03-1314 titled Parking Management Operations Services to the highest ranked respondent, Lanier Parking Solutions.

BACKGROUND:

In November 2013, the Purchasing and Procurement Department advertised RFP number 03-1314 titled Parking Management Operations Systems. The intent of the RFP was to seek proposals from qualified "Contractors" to manage and operate three ground level parking lots at the Pier Lot, Latham Lot, and 3rd Avenue North Lot.

Respondents were required to furnish all management, supervision, labor, equipment, technology and supplies necessary to perform contracted services including revenue collection, accounting, and parking enforcement responsibilities for each parking lot.

The term of the contract is for the "summer seasons" of 2014 and 2015 (2 years), with the City Manager having authority to extend the contract for up to three (3) one-year periods. (See attached sheet regarding Paid Parking Security Program)

On December 16, 2013, five (5) companies submitted responses. Each submittal was independently evaluated by a diverse team of City employees from the Police Department, Finance Department and Purchasing and Procurement. Evaluations were score-ranked based on five (5) criteria: qualifications (25%), references and experience (25%), methodology and approach (35%), revenue sharing (10%) and proposal package format (5%).

The following is a summary of the combined scoring results:

Respondent	% Revenue Share *	Total Score	Rank
Lanier Parking Solutions	52%	1710	1
ABM Parking Services	60%	1490	2
Propark America	20%	1450	3
HPA Hospitality of America	65%	1300	4
Republic Parking	61%	1045	5

* % Revenue share is the percentage of gross parking receipts paid by Contractor to the City.

Attached is the Evaluation Ranking Assessment Summary detailing scores from all evaluators.

The evaluation criteria were broken down into categories relating to qualifications, references, methodology, revenue sharing, and package format. These were established by the Finance Department and are consistent with past evaluations.

Taking into consideration the negative experiences that impacted the paid parking program run in previous years; methodology and experience were categories that seemed to set Lanier, ABM, and Propark America apart from the other companies in the evaluation stage. The decision was made to invite the top two companies for presentations or phone interviews. Phone interviews were conducted and the decision was unanimous in selecting Lanier as the company that should receive the award.

The evaluation group cited the following as their rationale for their decision:

Lanier Parking Solutions presented in their proposal as well as their interview, a true **"turnkey" operation** that would not necessitate any workforce obligation on the city's behalf. They also presented **a very pro customer service business** model that fits with the city's current efforts to provide excellent customer service to our citizens. They also had numerous references that are municipalities and several "Seasonal" contracts in place. They also affirmed their comfort with municipal changes and stated they would work with the city if any change occurred that would affect the contract.

Lanier **Parking Ambassadors (attendants) will have several responsibilities** during their shift in addition to **cleaning the lots** prior to and after each shift. They further advised their company would provide the necessary **cones and barricades** to control the lots for business. During the interview they advised their employees would be responsible for **deploying those traffic control devices each day**, not city employees. The company also stated they will be responsible for all signage, uniforms, and advertising for the lots.

The final considerations that put Lanier above the other competition were their **technology and internal controls**. They offer an internet service which provides our guests with the ability to **pre-purchase parking** and to pay **with cash or credit cards** at each location. This also enables the company to provide audits for each shift, with car counts and transaction histories. They are also able to provide long term datasets as well which aid them in making recommendations for improved effectiveness. This web based program can also be linked to the city website to better serve the community and enhance the availability of information regarding the parking program.

One concern with Lanier was the revenue sharing percentage of only 52% when three other companies were from 60%-65% revenue sharing. This was taken into consideration and weighted in the evaluation. Evaluating the additional costs associated with the cleaning of the lots, providing barricades and cones, as well as the additional employees to staff those needs, the committee felt this negated or at least mitigated the 8% difference.

RECOMMENDATION:

Award RFP 03-1314 Parking Management Operations Services to the highest ranked respondent, Lanier Parking Solutions, with the City Manager having authority to extend the contract for up to three (3) one-year periods.

PAID PARKING SECURITY PROGRAM

If this parking program is approved by the City Council pursuant to Council direction last year, it would be implemented as follows:

1. The **key goal of this program is to enhance public safety and security in the City-owned parking lots** through a paid parking program that will reduce undesirable activities. We believe this program has been very successful with this effort. It should be noted that this is only one tool and the staff is working on an enhanced downtown policing effort to complement the paid parking security system.

2. **This system provides** a paid parking attendant with the Police Department taking over the security duties through a paid Citizens on Patrol program that includes golf cart patrols. The parking revenues are used to **fund this security program,** and could also be used to support an on street 2 hour parking restriction in areas downtown if that is desired by the business community. In other words, instead of using a parking meter system to enforce 2 hour on street parking, we could place 2 hour parking restrictions in place where needed through signage. We could then use parking revenues to hire additional Citizens on Patrol or Community Service Officers to assist in enforcing this restriction. We are not asking the City Council to make a decision on the 2 hour parking tonight but just pointing out that the option is there to work with the business community.

3. This is an 8 month program that only **operates during daylight savings time** from March 9th to November 2.

4. The program is in operation **only on Fridays, Saturdays, Sundays, and holidays** as follows:
   Fridays from 6 p.m. until 2 a.m.
   Saturdays from 10 a.m. to 2 a.m.
   Sundays from 10a.m. until midnight

5. The **fee is $5.00 per car.**

6. The program allows for **voluntary business validation** since receipts will be provided.

7. The program allows for cash or **credit cards**, as well as **pre-purchased parking** that can be provided to customers or businesses.

8. The program is **flexible and does not require the expenditure** of over a million dollars for metered equipment that over time must be replaced.

9. Jacksonville Beach **residents park for free**. A possible option is to have a resident parking pass program.

10. The **bottom line** is by using the experience we have gained in operating this parking security system we can greatly improve and professionalize the paid parking system.

JACKSONVILLE BEACH

City of
Jacksonville Beach
Operations &
Maintenance Facility
Department of Public
Works
1460-A Shetter Avenue
Jacksonville Beach
FL 32250
Phone: 904.247.6219
Fax: 904.247.6117

www.jacksonvillebeach.org

February 5, 2014

TO: George Forbes, City Manager

FROM: Ty Edwards, Public Works

SUBJECT: Award Unit Price Bid Number 1314-02, "Water and Wastewater Treatment Chemicals"

ACTION REQUESTED:

Award Unit Price Bid Number 1314-02, "Water and Wastewater Treatment Chemicals" to the lowest, responsive and responsible bidder by bid item.

BACKGROUND:

Twelve (12) invitations to bid were issued and two (2) bids were received. This bid establishes unit prices for a period of one (1) year for the purchase of chlorine and sulfur dioxide products used for process disinfection and control of algae growth at the City's Water and Pollution Control Plants. The recommended low bidder by bid item is shown on the attached bid tabulation form and in the matrix that follows:

Bid Item #	Description	Low Bid Unit Price	Recommendation
Item 1	Chlorine, Liquid, 1 Ton Cylinder	$291.40	Award to *Allied Universal Corporation*, lowest bidder
Item 2	Sulfur Dioxide, 150# Cylinder Long Neck	$78.50	Award to *Allied Universal Corporation.*, lowest bidder
Funds are available in the FY2014 Public Works Department Water and Sewer Budget, within the operating supplies accounts of the Pollution Control Plant Division and the Water Plant Division.			

RECOMMENDATION:

Award Bid Item Number 1 and Bid Item Number 2 of Unit Price Bid Number 1314-02, titled "Water and Wastewater Treatment Chemicals" to the lowest responsive and responsible bidder, *Allied Universal Corporation*, as explained in the memorandum from the Public Works Director dated February 5, 2014.

City of Jacksonville Beach Bid Tabulation Form

Bid Number 1314-02, Water and Wastewater Treatment Chemicals

Date	02/05/2014				
Unit Price Bids	**Item #**	**Vendors**			
		A	B		
	Item # 1	***$ 291.40***	$ 410.00		
	Item # 2	***$ 78.50***	N/B		

Item Description

Item # 1 Chlorine, Liquid, 1 Ton Cylinder

Item # 2 Sulfur Dioxide, 150# Cylinder Long Neck

Mailed / issued 12 invitations to bid

Received 2 responses

	Vendors
A	***Allied Universal Corporation, lowest bidder on Items 1 & 2 Recommendation of Award – Bid Item #1 & Bid Item #2***
B	JCI Jones Chemical Inc.

JACKSONVILLE BEACH

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[P] 904.247.6276

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DEPARTMENT OF PUBLIC WORKS

February 7, 2014

TO: George Forbes, City Manager

FROM: Ty Edwards, Public Works

Subject: Award Bid 1314-01, Lift Stations # 7 and # 9 Renovation Projects

ACTION REQUESTED:

Award Bid 1314-01, titled "Lift Stations # 7 and # 9 Renovation Projects" to the lowest bidder for each lift station.

BACKGROUND:

This project is part of the City's sanitary sewer lift stations rehabilitation program. The project involves modifications to two existing deteriorated wastewater pump stations - Lift Station # 7 located at 301 N. 18th Avenue and Lift Station # 9 located at 1850 Tanglewood Road. The designs for both lift stations were completed in 2013. Construction for Lift Station #7 improvements is budgeted at $348,150 in FY2014. Construction cost for Lift Station #9 was estimated at $406,175 and originally scheduled for FY2015 in the Public Works Capital Improvement Plan. Major work includes, but is not limited to:

Project Work Summary	
Lift Station # 7	**Lift Station # 9**
• Replace sewage pumps, motors, piping and valves. • Replace electrical panels. • Install new concrete by-pass manhole. • Install new chain-link fence and electrical operated access gate. • Replace sidewalk, curbing and vehicle concrete access driveway.	• Replace sewage pumps, motors, piping and valves • Demolish old pump station building. • Install new concrete wetwell. • Replace generator & fuel storage tank. • Modify generator/control building. • Replace electrical control panels. • Replace fence & electrical operated gate. • Install new concrete access driveway.

The invitation to bid was advertised, ten (10) bid packages were requested and five (5) bids were received. The City's project design firm, *Waitz & Moye, Inc.*, evaluated the bids and recommended award to the lowest bidder for each lift station. Project cost summary and staff recommendation are shown in the following chart.

Bid 1314-01, Lift Stations # 7 and # 9 Renovation Projects		
DESCRIPTION	**COST**	**RECOMMENDATION**
Part A **Lift Station # 7** • Lump Sum Bid • 10% Contingency Construction Total:	 **$ 236,685.00** $ 23,668.50 $ 260,353.50	• Award Part A to the lowest bidder, ***United Brothers Development Corporation,*** at a lump sum cost of $236,685.00, plus a 10% contingency, for a total cost not to exceed $260,353.50
Part B **Lift Station # 9** • Lump Sum Bid • 10% Contingency Construction Total:	 **$ 515,291.00** $ 51,529.10 $ 566,820.10	• Award Part B to the lowest bidder, ***Grimes Utilities, Incorporated***, at a lump sum cost of $515,291.00, plus a 10% contingency, for a total cost not to exceed $566,820.10
Construction Admin. Services o Part A (LS #7) o Part B (LS # 9) • C&A Svcs Sub-Total • 10% Contingency C&A Services Total:	 $16,710.90 $31,043.07 **$47,753.97** $4,755.40 $52,529.37	• Authorize construction administration services with the project's design firm, ***Waitz & Moye, Incorporated,*** at a cost of $47,753.97, plus a 10% contingency, for a total cost not to exceed $52,529.37
GRAND TOTAL:	$879,702.97	
• The FY2014 Water & Sewer Budget will be adjusted accordingly at mid-year.		

RECOMMENDATION:

As described in the memorandum from the Public Works Director dated February 7, 2014, award Bid Number 1314-01, titled "Lift Stations Number 7 and Number 9 Renovation Projects" as follows:

1. Award Part A for Lift Station Number 7 to the lowest bidder, *United Brothers Development Corporation.*

2. Award Part B for Lift Station Number 9 to the lowest bidder, *Grimes Utilities, Incorporated.*

3. Authorize construction administration services with the projects' design firm, *Waitz & Moye, Incorporated.*

City of Jacksonville Beach Bid Tabulation Form

Lump Sum Bid # 1314-01, "Lift Stations # 7 & # 9 Renovation Projects

Date: **January 15, 2014**

BASE BID Lump Sum TOTAL	**BIDDERS**				
	A	B	***C***	D	***E***
Part A *Lift Station #7*	$295,876.00	$267,200.00	$249,420.00	$339,234.00	***$236,685.00***
Part B *Lift Station # 9*	$549,045.00	$555,740.00	***$515,291.00***	$980,174.00	$574,750.00
Parts A+B	$844,921.00	$822,940.00	$764,711.00	$1,319,408.00	$811,435.00

Plan Holders: 10 Bid Responses: 5

Bidders

A	Callaway Contracting, Inc.
B	G & H Underground Construction, Inc.
C	***Grimes Utilities, Incorporated;*** lowest bidder on Part B; ***Recommend AWARD Part B bid***
D	J. B. Coxwell Contracting, Inc.
E	***United Brothers Development Corporation;*** lowest bidder on Part A; ***Recommend AWARD Part A bid***

WAITZ & MOYE, INC.

ENGINEERING • PLANNING

January 16, 2014

Mr. Ty Edwards, P.E.
Director of Public Works
City of Jacksonville Beach
11 North 3rd Street
Jacksonville Beach, FL

Re: Lift Stations No. 7 & No. 9 Renovations (Parts A & B)
Recommendation of Award, Bid Tabulation Sheet & WMI-CAI Fee Proposal
City of Jacksonville Beach Bid No. 1314-01
WMI No. 1999-058-073 & 074

Dear Mr. Edwards:

On Wednesday, January 15, 2014 bids were received and opened for the above referenced project. Ten (10) contractors had purchased plans to bid the project but only five **(5)** bids were received at Bid Opening by the City.

Review of the five **(5)** bid submittals with regards to bid specifications submittal requirements has resulted in the finding that all five (5) bids contained the proper paperwork.

After having stated the above facts, the five **(5)** bid submittals were evaluated and ranked in order as shown on the attached Bid Tabulation Summary Sheet.

As a result of the bid evaluation and subject to available funding, it is recommended that the City of Jacksonville Beach award the project in parts to separate contractors. **Part A-Lift Station No. 7 of the project in the accumulative dollar amount of $ 236,685.00, should be awarded to United Brothers Develop Inc., which is the lowest responsive, responsible and qualified bidder, and Part B-Lift Station No. 9 of the project in the accumulative dollar amount of $ 515,291.00, to Grimes Utilities, Inc., which is the lowest responsive, responsible and qualified bidder.**

A copy of our proposed Scope of Services & Fee Proposal covering construction administration & inspection services is attached per your request.

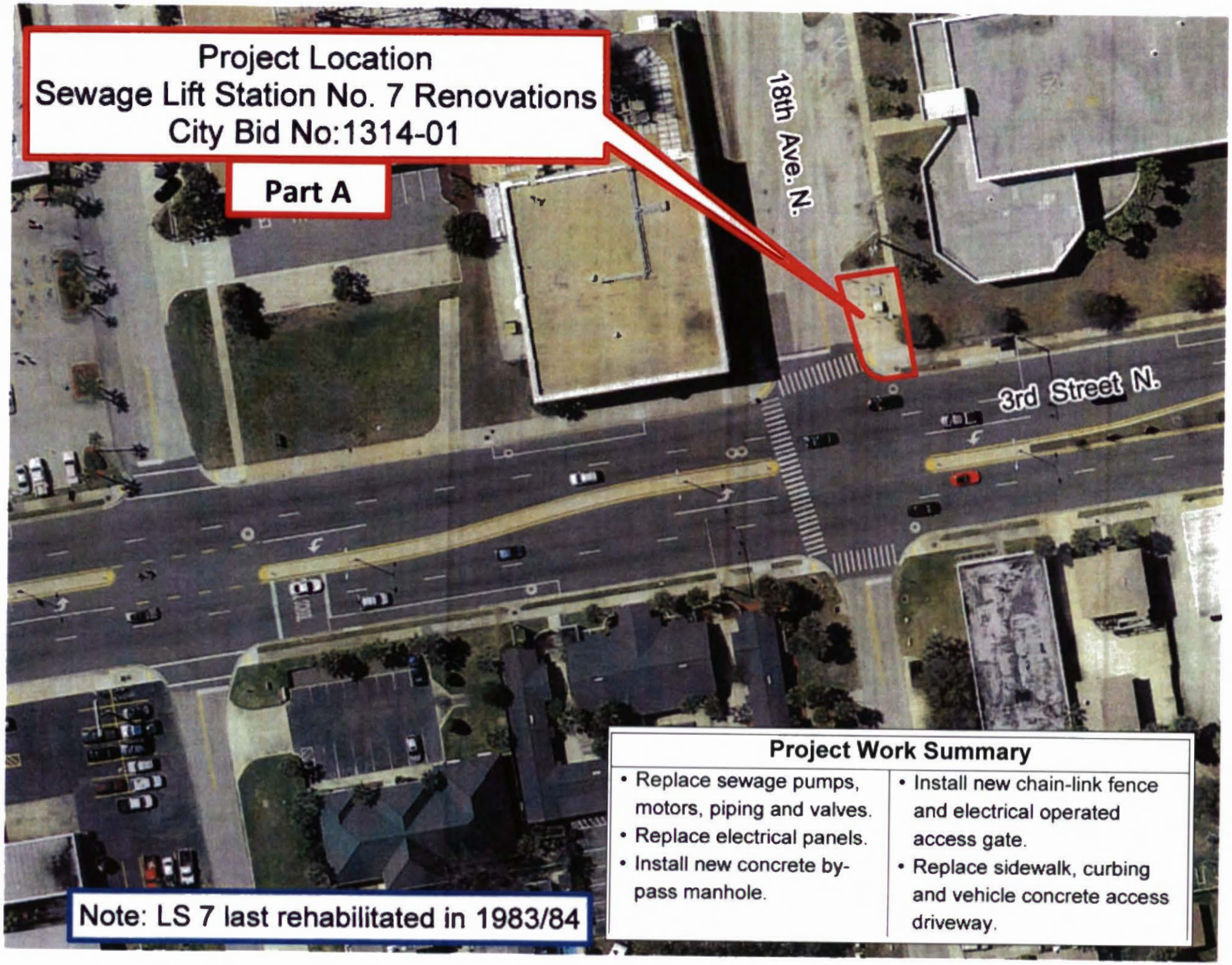
Should you have any further questions pertaining to this matter, please feel free to contact me or Dennis Dupries at your convenience.

Sincerely,

John H. Moye, P.E.
WAITZ & MOYE, INC.

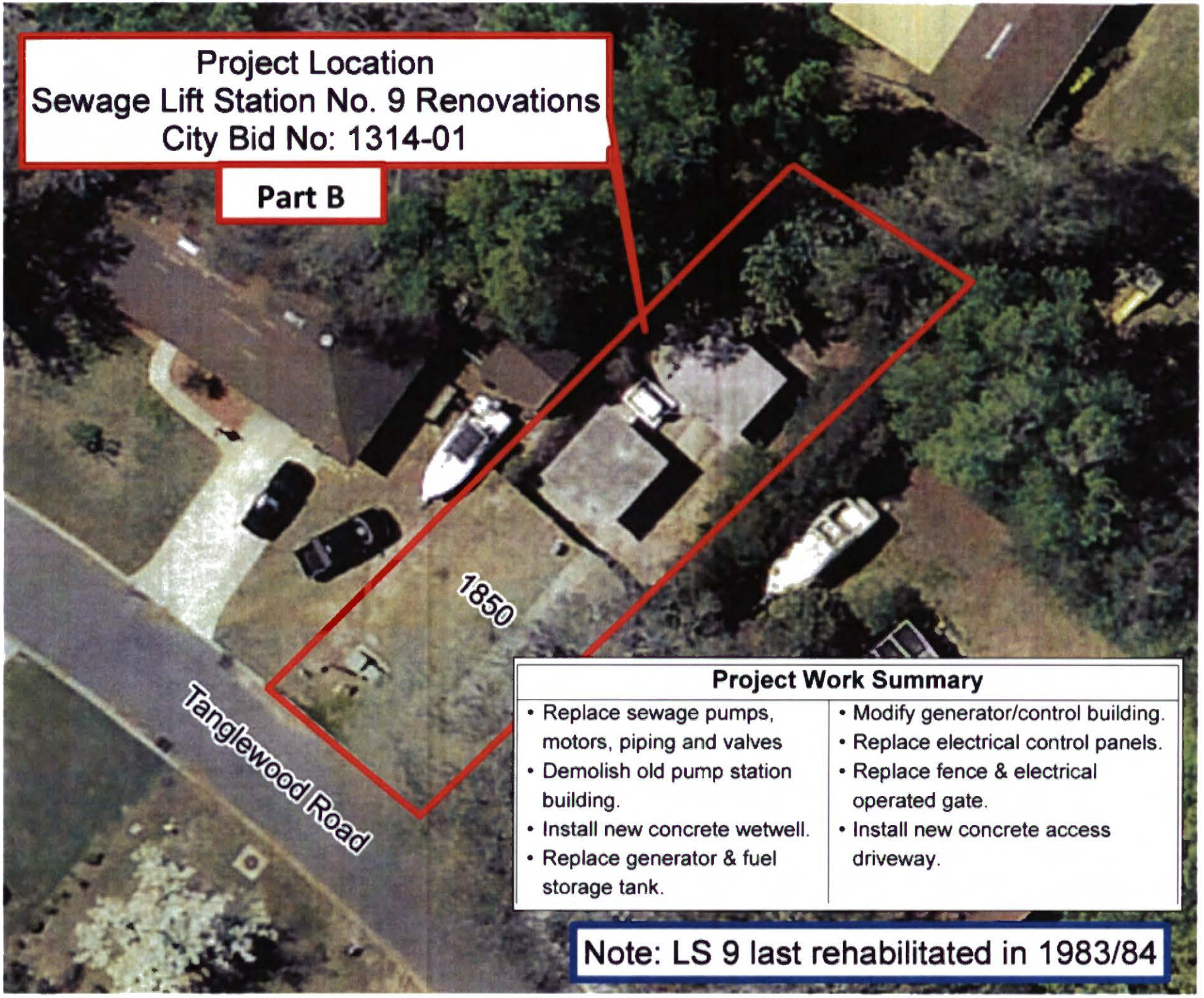
Enclosure: As Stated Above

3738 SOUTHSIDE BOULEVARD, SUITE 101 • JACKSONVILLE, FL 32216 • (904) 642-8311 • FAX (904) 642-8336



Project Work Summary

- Replace sewage pumps, motors, piping and valves.
- Replace electrical panels.
- Install new concrete by-pass manhole.
- Install new chain-link fence and electrical operated access gate.
- Replace sidewalk, curbing and vehicle concrete access driveway.


Project Location
Sewage Lift Station No. 9 Renovations
City Bid No: 1314-01
Part B
1850
Tanglewood Road
Project Work Summary
• Replace sewage pumps, motors, piping and valves
• Demolish old pump station building.
• Install new concrete wetwell.
• Replace generator & fuel storage tank.
• Modify generator/control building.
• Replace electrical control panels.
• Replace fence & electrical operated gate.
• Install new concrete access driveway.
Note: LS 9 last rehabilitated in 1983/84

JACKSONVILLE BEACH

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MEMORANDUM

TO: George D. Forbes, City Manager

FROM: Robert A. Sugarman, attorney for the City of Jacksonville Beach Retirement Systems

SUBJECT: Ordinance Numbers:

- 2014-8047 amending Chapter 2, Article V, Division 5 - General Employees' Retirement System
- 2014-8048 amending Chapter 2, Article V, Division 6 - Police Officers' Retirement System
- 2014-8049 amending Chapter 2, Article V, Division 7 - Firefighters' Retirement System

DATE: January 24, 2014

ACTION REQUESTED

Adopt Ordinance Numbers 2014-8047, 2014-8048 and 2014-8049 amending Chapter 2, Article V of the Code of Ordinances of the City of Jacksonville Beach as recommended by the Police Officers', Firefighters' and General Employees' pension boards.

BACKGROUND

We write to explain the various amendments contained within the IRS compliance ordinances that we prepared for you.

The favorable determination letter that each pension plan received is subject to the adoption of the amendments contained within the proposed ordinances. In other words, the amendments are required in order for the letters to remain valid.

None of the amendments should have any effect on the funding or operation of the plans or on the contributions to the plans or the benefits paid by the plans. This is because the plans have already been operating in accordance with the requirements of the Internal Revenue Code (for instance, the plans do not pay benefits in excess of the Section 415 limits). The Code requires, however, not only that the plans operate in accordance with the Code, but also that the plan documents contain certain Code requirements in writing.

The amendments will change the following:

- **100% vesting upon reaching normal retirement age:**
  The code requires that a participant's benefit become 100% vested upon the attainment of Normal Retirement Age under the plan. Although these plans have been operating in accordance with that requirement, the plan documents must also provide for that requirement in writing.

- **Replacement of 415 language to IRS compliance section:**
  We have removed from the above-referenced ordinance sections the former language relating to Section 415, and have created, as set forth below, a new IRS compliance section including all required 415 language.

- **Amendment for HEART Act:**
  The HEART Act provided for certain benefits for survivors of participants who die while in USERRA-qualified military service. Under HEART, survivor benefits are determined as though the person returned to work and died immediately thereafter. Also, for vesting purposes with respect to survivor benefits, credit is given for the time during which the person was in USERRA-qualified service.

- **IRS compliance:**
  - <u>415 Limitations</u>
    This is the most voluminous of the amendments contained within the proposed ordinances. In April 2007, the IRS issued new, final regulations to Section 415 of the Code. Section 415 limits the amount of benefits that a participant can receive each year under the plan (the current amount of the limitation is $205,000). The new provision contains all required 415 language.

- Amendments to the minimum distribution requirements under 401(a)(9) of the Code
  Section 401(a)(9) of the Code provides for certain rules relating to the time frame and manner in which benefits must be paid under the plans. Recent changes in the law amended some of those requirements. The amendments provide for full compliance with Section 401(a)(9).

- Amendments to provisions relating to Rollover Distributions
  We have amended the language relating to Rollover Distributions to reflect all current regulations relating to distributions that are eligible for rollover.

- Amendments relating to Mandatory Distributions
  The language limits the amount of Mandatory Distributions in accordance with 401(a)(31).

- Amendments relating to 401(a)(17)
  The language limits the amount of compensation that can be taken into consideration for pension purposes in accordance with Section 401(a)(17) of the Code.

- 100% Vesting Upon Termination of the Plan (General Employees Only)
  As with vesting upon the attainment of Normal Retirement Age, the Code provides that all accrued benefits shall become 100% vested upon termination of the plan. We have added provisions to comply with that requirement.

RECOMMENDATION

1. Adopt Ordinance Number 2014-8047, amending Chapter 2, Article V, Division 5, 'General Employees' Retirement System', of the Code of Ordinances of the City of Jacksonville Beach to comply with IRS requirements and the favorable determination letter.

RECOMMENDATION *(continued)*

2. Adopt Ordinance Number 2014-8048, amending Chapter 2, Article V, Division 6, 'Police Officers' Retirement System', of the Code of Ordinances of the City of Jacksonville Beach to comply with IRS requirements and the favorable determination letter.

3. Adopt Ordinance Number 2014-8049, amending Chapter 2, Article V, Division 7, 'Firefighters' Retirement System', of the Code of Ordinances of the City of Jacksonville Beach to comply with IRS requirements and the favorable determination letter.

Underlined text are additions

~~Strikethrough text are deletions~~

Introduced By: Councilmember Tom Taylor

1st Reading: February 3, 2014

2nd Reading: February 17, 2014

ORDINANCE NO. 2014- 8047

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 5, 'GENERAL EMPLOYEES' RETIREMENT SYSTEM' OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH; TO PROVIDE FOR COMPLIANCE WITH THE INTERNAL REVENUE CODE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR CODIFICATION AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on January 26, 2011, an application was filed with the Internal Revenue Service for a Favorable Determination Letter regarding the qualified status of the Plan under Section 401(a) of the Internal Revenue Code; and

WHEREAS, on January 24, 2013, the Internal Revenue Service issued a Favorable Determination Letter, finding that the Plan complies with all qualification requirements; and

WHEREAS, the Favorable Determination Letter is subject to the timely adoption of the amendments provided herein, and

WHEREAS, the trustees of the City of Jacksonville Beach General Employees' Retirement System have requested and approved such amendments as being in the best interests of the participants and beneficiaries as well as improving the administration of the plan, and

WHEREAS, the City Council has received, reviewed and considered an actuarial impact statement describing the actual impact of the amendments provided for herein

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE BEACH, FLORIDA:

SECTION 1. That Section 2-162.7 of the City of Jacksonville Beach Code of Ordinances shall be amended by adding a Subsection (d) as follows:

Sec. 2-162.7. - Normal Retirement Conditions.

...

(e) Notwithstanding any other provision hereunder, a Member's accrued benefit under the Plan shall become non-forfeitable upon the attainment of Normal Retirement Age.

SECTION 2. That Section 2-162.9(d) of the City of Jacksonville Beach Code of Ordinances shall be repealed/deleted in its entirety and all following subsections renumbered/relettered accordingly:

Sec. 2-162.9. - Amount of a pension.

...

~~(d) Notwithstanding the provisions of this act, a member may not receive a benefit, which exceeds the maximum amount allowed under Section 415 of the Internal Revenue Code, which is incorporated herein by reference.~~

(de) Deferred Retirement Option Program. In general, and subject to the provisions of this section, the Deferred Retirement Option Program, hereinafter referred to as the DROP, is a program under which an eligible member of the retirement system may elect to participate, deferring receipt of retirement benefits while continuing employment with the city. The deferred monthly benefits shall accrue in the reserve for pension payments fund on behalf of the participant, plus interest compounded monthly, for the specified period of the DROP participation, as provided in subsection (e)(3) of this section. Upon termination of employment, the participant shall receive the total DROP benefits and begin to receive the previously determined normal retirement benefits. Employment in the DROP does not guarantee employment for the specified period of DROP.

(1) *Eligibility of member to participate in the DROP.* All retirement system members are eligible to elect participation in the DROP provided that election to participate is made on or after the member first reaches normal retirement date or age and prior to November 25, 2013. The member shall advise the city and the retirement system in writing of the date on which the DROP shall begin. The DROP shall be closed to new members on November 25, 2013.

(2) *Participation in the DROP.*

a. An eligible member may elect to participate in the DROP for a period not to exceed a maximum of thirty-six (36) consecutive months. Any member who has exceeded the 36-month limitation shall not be eligible to participate in the DROP.

b. Upon deciding to participate in the DROP, the member shall submit on forms required by the retirement system:

1. A written election to participate in the DROP.

2. Selection of the DROP participation and termination dates, which satisfy the limitations stated in subsections (e)(1) and (e)(2)a. of this section. Such termination date shall be in a binding letter of resignation with the city, establishing a deferred termination date. The member may terminate before the termination date within the limitations of subsection (e)(2)a., but only with advance written notice to the city.

3. A properly completed DROP application for service retirement as provided in this section.

4. A written election of form of pension payment, pursuant to section 2-162.10

5. Any other information required by the retirement system.

c. The DROP participant shall be a retirant under the retirement system for all purposes except that payment of benefits to the retirant shall be deferred until separation from city employment.

d. A re-employed retirant with renewed membership is not eligible for DROP participation.

(3) *Benefits payable under the DROP.*

a. Effective with the date of DROP participation, the member's initial normal monthly benefit, including credited service and final average compensation, shall be fixed. Such retirement benefit, any annual cost-of-living adjustments which may be provided, and interest shall accrue monthly in the retirement system's reserve for pension payments. Such interest shall accrue at an annual rate set quarterly by the board of trustees, which shall not be less than three and one-half (3.5) percent compounded monthly, on the prior month's accumulated ending balance, up to the month of termination or death. An annual administration fee of three-quarters of one (0.75) percent shall be deducted from each DROP participant's accrued benefits, prorated monthly.

b. The effective date of retirement of a DROP participant shall be the first day of the month selected by the member to begin participation in the DROP.

c. Normal retirement benefits and interest thereon shall continue to accrue in the DROP until the established termination date of the DROP,

or until the participant terminates employment or dies prior to such date. Although individual DROP accounts shall not be established, a separate accounting of each participant's accrued benefits under the DROP shall be calculated and provided to participants annually.

d. At the conclusion of the participant's DROP, the retirement system shall distribute the participant's total accumulated DROP benefits, subject to the following provisions:

1. The retirement system shall receive verification from the city that the participant has terminated employment.

2. The terminated DROP participant or if deceased, such participant's named beneficiary, shall elect on forms provided by the retirement system to receive payment of the DROP benefits in accordance with one (1) of the options listed below. For a participant or beneficiary who fails to elect a method of payment within (60) sixty-days of termination of the DROP, the retirement system will pay a lump sum as provided in (I).

(I) *Lump sum.* All accrued DROP benefits, plus interest, less withholding taxes remitted to the Internal Revenue Service, shall be paid to the DROP participant or surviving beneficiary.

(II) *Direct rollover.* All accrued DROP benefits, plus interest, shall be paid from the DROP directly to the custodian of an eligible retirement plan as defined in Section 402(c)(8)(B) of the Internal Revenue Code. However, in the case of an eligible rollover distribution to the surviving spouse of a deceased participant, an eligible retirement plan is an individual retirement account or an individual retirement annuity as described in Section 402(c)(9) of the Internal Revenue Code.

(III) *Partial lump sum.* A portion of the accrued DROP benefits shall be paid to the DROP participant or surviving spouse, less withholding taxes remitted to the Internal Revenue Service, and the remaining DROP benefits shall be transferred directly to the custodian of an eligible retirement plan as defined in Section 402(c)(8)(B) of the Internal Revenue Code. However, in the case of an eligible rollover distribution to the surviving spouse of a

deceased participant, an eligible retirement plan is an individual retirement account or an individual retirement annuity as described in Section 402(c)(9) of the Internal Revenue Code. The proportions shall be specified by the DROP participant or surviving beneficiary.

3. Regardless of the form of payout, a participant's DROP account continues until the account balance is exhausted.

4. For a DROP participant who fails to terminate city employment at the expiration of the 36-month maximum DROP participation period, the member shall be deemed not to be retired, the DROP election shall be null and void, and the member shall have no accumulated DROP benefits. Retirement system membership shall be reestablished retroactively to the date of the commencement of the DROP, and the member shall be required to pay to the retirement system the member contributions at the rate set forth in section 2-162.20, and the city contributions, as established pursuant to section 2-162.32, required during the period the member participated in the DROP, plus six and one-half (6.5) percent interest compounded annually.

e. The accrued benefits of any DROP participant, and any contributions accumulated under such program, shall not be subject to assignment or attachment.

f. DROP participants shall not be eligible for disability retirement benefits as provided in sections 2-162.15, 2-162.16, 2-162.17, and 2-162.18, and the participant's beneficiaries and survivors shall not be eligible for the automatic survivor pension, death in the line of duty pension, or survivor pension as provided respectively in sections 2-162.12, 2-162.13, and 2-162.14.

(4) *Death benefits under the DROP.*

a. Upon the death of a DROP participant, the named beneficiary shall be entitled to apply for and receive the accrued benefits in the DROP as provided in subsection (e)(3)d.2. of this section.

b. The normal retirement benefit accrued to the DROP during the month of a participant's death shall be the final monthly benefit credited for such DROP participant.

c. Eligibility to participate in the DROP terminates upon death of the participant. If the participant dies on or after the effective date of enrollment in the DROP, but prior to the first monthly benefit being credited to the DROP, retirement system benefits shall be paid as though the DROP election had not been made.

(5) *Contributions.*

a. Member contributions shall not be made, due, or payable during a participant's DROP participation, section 2-162.20 hereof notwithstanding.

b. The city shall not pick up member contributions of a DROP participant during a participant's DROP participation; section 2-162.21 hereof notwithstanding, but instead shall be paid to the DROP participant as wages or salary.

(6) *Forfeiture of retirement benefits.* Nothing in this section shall be construed to remove DROP participants from the scope of Section 8(d), Art. II of the State Constitution, and Section 112.3173, Florida Statutes, DROP participants who commit a specified felony offense while employed will be subject to forfeiture of all retirement benefits, including DROP benefits, pursuant to those provisions of law.

(7) *Administration of program.* The board of trustees shall make such rules as are necessary for the effective and efficient administration of this subsection. The retirement system shall not be required to advise members of the federal tax consequences of an election related to the DROP but may advise members to seek independent advice.

(~~f~~ e) Back-DROP. Effective November 25, 2013, and subject to the provisions of this section, eligible members may elect to participate in the Back-DROP in accordance with this subsection (~~f~~ e)

(1) Eligibility of member to participate in the Back-DROP. A member who is not participating in DROP and who reaches normal retirement eligibility on or after November 25, 2013 and continues employment beyond the normal retirement date is eligible to elect the Back-DROP. The member shall advise the city and the retirement system in writing of their back-DROP election. A member may elect the Back-DROP only once.

(2) Maximum Back-DROP Period. An eligible member may elect the Back-DROP for a period equal to the number of months the member has been employed beyond the normal retirement date, up to a maximum period of thirty-six (36) months.

(3) Benefits payable under the Back-DROP. A member who elects the Back-DROP shall be entitled to a monthly pension determined as of the member's normal retirement date, plus a lump sum payment equal to the pension benefits the member would have received had he/she retired on the normal retirement date, with interest at a rate of 3% per annum. The lump sum Back-DROP benefit, less applicable withholding taxes, shall be distributed to the member within 60 days following separation from employment. Alternatively, a member may elect to roll some or all of the lump sum Back-DROP benefit into an IRA or other qualified retirement plan, in accordance with applicable law.

(4) Forfeiture of retirement benefits. Nothing in this subsection shall be construed to remove Back-DROP participants from the scope of Section 8(d), Art. II of the State Constitution, and Section 112.3173, Florida Statutes. Back-DROP participants who commit a specified offense while employed will be subject to forfeiture of all retirement benefits, including Back-DROP benefits, pursuant to those provisions of law.

(5) Administration of program. The board of trustees shall make such rules as are necessary for the effective and efficient administration of this subsection. The retirement system shall not be required to advise members of the federal tax consequences of an election related to the Back-DROP but may advise members to seek independent advice.

SECTION 3. That Section 2-162.12(c) of the City of Jacksonville Beach Code of Ordinances shall be amended as follows:

Sec. 2-162.12. - Automatic survivor pension to spouse or children.

...

(c) (1) A deceased member's accrued pension shall be computed under the following presumptions:

a. The deceased member shall be presumed to have retired under the provisions of section 2-162.7 on the day preceding the member's death.

b. The deceased member shall be presumed to have elected Form of Payment SL.

(2) The presumptions of retiring and election of Form of Payment shall be effective notwithstanding the failure to satisfy the specific requirements of sections 2-162.13 and 2-162.14 with regard to these activities.

(3) Death while performing USERRA-qualified active military service –

In the case of a Member who dies on or after January 1, 2007 while performing "Qualified Military Service" under Title 38, United States Code, Chapter 43, Uniformed Services Employment and Reemployment Rights Act ("USERRA") within the meaning of Section 414(u) of the Internal Revenue Code, any "additional benefits" (as defined by Section 401(a)(37) of the Internal Revenue Code) provided under the Plan that are contingent upon a Member's termination of employment due to death shall be determined as though the Member had resumed employment immediately prior to his death. With respect to any such "additional benefits," for vesting purposes only, credit shall be given for the period of the Member's absence from covered employment during "Qualified Military Service".

...

SECTION 4. That Section 2-162.14(c) of the City of Jacksonville Beach Code of Ordinances shall be amended as follows:

Sec. 2-162.14. - Survivor pension to named beneficiary.

...

(c) (1) The amount of pension shall be computed under the following presumptions:

a. The deceased member shall be presumed to have retired under the provisions of section 2-162.7 on the day preceding the member's death.

b. The deceased member shall be presumed to have elected Form of Payment II and named the contingent survivor beneficiary as survivor beneficiary.

(2) The presumptions of retiring, election of Form of Payment, and naming of survivor beneficiary shall be effective notwithstanding the failure to satisfy the specific requirements of sections 2-162.7 and 2-162.10 with regard to these activities.

(3) Death while performing USERRA-qualified active military service –

In the case of a Member who dies on or after January 1, 2007 while performing "Qualified Military Service" under Title 38, United States Code, Chapter 43, Uniformed Services Employment and Reemployment Rights Act ("USERRA") within the meaning of Section 414(u) of the Internal Revenue Code, any "additional benefits" (as defined by Section 401(a)(37) of the Internal Revenue Code) provided under the Plan that are contingent upon a Member's termination of employment due to death shall be determined as though the Member had resumed employment immediately prior to his death. With respect to any such "additional benefits," for vesting purposes only, credit shall be given for the period of the Member's absence from covered employment during "Qualified Military Service".

SECTION 5. That Section 2-162.36A of the City of Jacksonville Beach Code of Ordinances shall be amended as follows:

Sec. 2-162.36A. - ~~Eligible rollover distributions~~ Internal Revenue Code Compliance.

~~If the recipient of any eligible rollover distribution, as that term is defined in Section 402(f)(2)(A) of the Internal Revenue Code, including any lump sum payments of retirement benefits, lump sum refunds of member contributions, and lump sum returns of member contributions which were picked up by the city, elects to have such distribution paid directly to an eligible retirement plan or Individual Retirement Account (IRA), and specifies the eligible retirement plan or IRA to which such distribution is to be paid, in such form and at such time as the board of trustees may prescribe, then the distribution will be made in the form of a direct trustee-to-trustee transfer to the specified eligible retirement plan or IRA.~~

(a) Maximum amount of retirement income.

(1) The limitations of this Subsection (a) shall apply in limitation years beginning on or after July 1, 2007, except as otherwise provided herein, and are intended to comply with the requirements of the Pension Protection Act of 2006 and shall be construed in accordance with said Act and guidance issued thereunder. The provisions of this Subsection (a) shall supersede any provision of the Plan to the extent such provision is inconsistent with this Subsection.

The Annual Pension as defined in Paragraph (2) below otherwise payable to a Member at any time shall not exceed the Dollar Limitation for the Member

multiplied by a fraction whose value cannot exceed one, the numerator of which is the Member's number of years (or part thereof, but not less than one year) of service with the City and the denominator of which is 10. For this purpose, no more than one year of service may be credited for any Plan Year. If the benefit the Member would otherwise accrue in a limitation year would produce an Annual Pension in excess of the Dollar Limitation, the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Dollar Limitation.

(2) "Annual Pension" means the sum of all annual benefits, payable in the form of a straight life annuity. Benefits payable in any other form shall be adjusted to the larger of:

(A) For limitation years beginning on or after July 1, 2007

(I) the straight life annuity (if any) payable to the Member under the Plan commencing at the same Annuity Starting Date as the Member's form of benefit, or

(II) the actuarially equivalent straight life annuity commencing at the same Annuity Starting Date, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v).

(B) For limitation years beginning before July 1, 2007

(I) the actuarially equivalent straight life annuity commencing at the same Annuity Starting Date, computed using the interest rate and mortality basis specified by the Board of Trustees for determining Actuarial Equivalence under the Plan for the particular form of payment, or

(II) the actuarially equivalent straight life annuity commencing at the same Annuity Starting Date, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v).

No actuarial adjustment to the benefit shall be made for benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits); or the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to

§417(e)(3) of the Internal Revenue Code and would otherwise satisfy the limitations of this Subsection (a), and the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this Subsection (a) applicable at the annuity starting date, as increased in subsequent years pursuant to § 415(d) of the Code. For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

(3) "Dollar Limitation" means, effective for the first limitation year beginning after January 1, 2001, $160,000, automatically adjusted under Code Section 415(d), effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a straight life annuity. The new limitation shall apply to limitation years ending with or within the calendar year of the date of the adjustment, but a Member's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. The Dollar Limitation shall be further adjusted based on the age of the Member when the benefit begins as follows:

(A) For Annuity Starting Dates in limitation years beginning on or after July 1, 2007

(I) If the Annuity Starting Date for the Member's benefit is after age 65

(i) If the Plan does not have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement

The Dollar Limitation at the Member's Annuity Starting Date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Member's Annuity Starting Date that is the actuarial equivalent of the Dollar Limitation with actuarial equivalence computed using a 5.00% interest rate assumption and the mortality basis prescribed in Code Section 415(b)(2)(E)(v) for that Annuity Starting Date (and expressing the Member's age based on completed calendar months as of the Annuity Starting Date).

(ii) If the Plan does have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement

The Dollar Limitation at the Member's Annuity Starting Date is the lesser of (aa) the Dollar Limitation multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of this Subsection (a), and (bb) the limitation determined under Subparagraph (3)(A)(I)(i) of this Subsection(a). For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the Member's Annuity Starting Date is the annual amount of such annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing straight life annuity under the Plan at age 65 is the annual amount of such annuity that would be payable under the Plan to a hypothetical Member who is age 65 and has the same Accrued Benefit as the Member.

(II) Except with respect to a Member who is a "Qualified Member" as defined in Section 415(b)(2)(H) of the Code, for benefits (except survivor and disability benefits as defined in Section 415(b)(2)(I) of the Code), if the Annuity Starting Date for the Member's benefit is before age 62

(i) If the Plan does not have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement

The Dollar Limitation at the Member's Annuity Starting Date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Member's Annuity Starting Date that is the actuarial equivalent of the Dollar Limitation with actuarial equivalence computed using a 5.00% interest rate assumption and the mortality basis prescribed in Code Section 415(b)(2)(E)(v) for that Annuity Starting Date (and expressing the Member's age based on completed calendar months as of the Annuity Starting Date).

(ii) If the Plan does have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement

The Dollar Limitation at the Member's Annuity Starting Date is the lesser of (aa) the Dollar Limitation multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of this Subsection (a), and (bb) the limitation determined under Subparagraph (3)(A)(II)(i) of this Subsection (a).

(B) For Annuity Starting Dates in limitation years beginning before July 1, 2007.

Age as of Annuity Starting Date:	Adjustment of Dollar Limitation:
Over 65	**The smaller of: (a) the actuarial equivalent of the limitation for age 65, computed using the interest rate and mortality basis specified by the Board of Trustees for determining actuarial equivalence under the Plan, or** **(b) the actuarial equivalent of the limitation for age 65, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v).** **Any increase in the Dollar Limitation determined in accordance with this paragraph shall not reflect a mortality decrement between age 65 and the age at which benefits commence if benefits are not forfeited upon the death of the Member. If any benefits are forfeited upon death, the full mortality decrement is taken into account.**
62 to 65	**No adjustment.**
Less than 62	**The smaller of: (a) the actuarial equivalent of the limitation for age 62, computed using the interest rate and mortality basis specified by the Board of Trustees for determining actuarial equivalence under the Plan, or** **(b) the actuarial equivalent of the limitation for age 62, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v).** **This adjustment shall not apply to any "Qualified Member" as defined in Section 415(b)(2)(H), nor to survivor and disability benefits as defined in Section 415(b)(2)(I) of the Code.**

(4) With respect to clause (3)(A)(I)(i), clause (3)(A)(II)(i) and Paragraph (3)(B) above, no adjustment shall be made to the Dollar Limitation to reflect the probability of a Member's death between the Annuity Starting Date and age 62, or between age 65 and the Annuity Starting Date, as applicable, if benefits are not forfeited upon the death of the Member prior to the Annuity Starting Date. To the extent benefits are forfeited upon death before the Annuity Starting Date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Member's death if the Plan does not charge Members for providing a qualified preretirement survivor annuity, as defined in Code Section 417(c), upon the Member's death.

(5) The term "limitation year" is the 12-month period which is used for application of the limitations under Code Section 415 and shall be the calendar year.

(6) The limitations set forth in this Subsection (a) shall not apply if the Annual Pension does not exceed $10,000 provided the Member has never participated in a Defined Contribution Plan maintained by the City.

(7) Cost-of-living adjustments in the Dollar Limitation for benefits shall be limited to scheduled annual increases determined by the Secretary of the Treasury under Section Subsection 415(d) of the Code.

(8) In the case of a Member who has fewer than 10 years of participation in the Plan, the Dollar Limitation set forth in Paragraph (3) of this Subsection (a) shall be multiplied by a fraction - (i) the numerator of which is the number of years (or part thereof) of participation in the Plan, and (ii) the denominator of which is 10.

(9) Any portion of a Member's benefit that is attributable to mandatory Member contributions (unless picked-up by the City) or rollover contributions shall be taken into account in the manner prescribed in the regulations under Section 415 of the Code.

(10) Should any Member participate in more than one defined benefit plan maintained by the City, in any case in which the Member's benefits under all such defined benefit plans (determined as of the same age) would exceed the Dollar Limitation applicable at that age, the accrual of the Member's benefit under this Plan shall be reduced so that the Member's combined benefits will equal the Dollar Limitation.

(11) For a Member who has or will have distributions commencing at more than one annuity starting date, the Annual Benefit shall be determined as of each such annuity starting date (and shall satisfy the limitations of this Section as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new starting date has occurred shall be made without regard to § 1.401(a)-20, Q&A 10(d), and with regard to § 1.415(b)1(b)(1)(iii)(B) and (C) of the Income Tax Regulations.

(12) The determination of the Annual Pension under Paragraph (A)(1) of this Subsection (a) shall take into account (in the manner prescribed by the regulations under Section 415 of the Code) social security supplements described in § 411(a)(9) of the Internal Revenue Code and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant § 1.411(d)-4, Q&A-3(c) of the Income Tax Regulations.

(13) The above limitations are intended to comply with the provisions of Section 415 of the Code, as amended, so that the maximum benefits provided by plans of the City shall be exactly equal to the maximum amounts allowed under Section 415 of the Code and regulations thereunder. If there is any discrepancy between the provisions of this Subsection (a) and the provisions of Section 415 of the Code and regulations thereunder, such discrepancy shall be resolved in such a way as to give full effect to the provisions of Section 415 of the Code. The value of any benefits forfeited as a result of the application of this Subsection (a) shall be used to decrease future employer contributions.

(14) For the purpose of applying the limitations set forth in Sections 401(a)(17) and 415 of the Internal Revenue Code, Compensation shall include any elective deferral (as defined in Code Section 402(g)(3) of the Internal Revenue Code), and any amount which is contributed or deferred by the employer at the election of the Member and which is not includible in the gross income of the Member by reason of Section 125 or 457 of the Internal Revenue Code. For limitation years beginning on and after January 1, 2001, for the purposes of applying the limitations described in this Subsection (a), compensation paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the Member by reason of Section 132(f)(4) of the Internal Revenue Code. For limitation years on or after July 1, 2007, compensation shall include payments that otherwise qualify as compensation and that are made by the later of: (a) 2 and ½ (two and one-half) months after severance from employment with the employer, and (b) the end of the limitation year that includes the date of severance.

(b) Required Beginning Date:

Notwithstanding any other provision of the Plan, payment of a participant's retirement benefits under the Plan shall commence not later than the participant's Required Beginning Date, which is defined as the later of:

-April 1 of the calendar year that next follows the calendar year in which the participant attains or will attain the age of 70½ years; or

-April 1 of the calendar year that next follows the calendar year in which the participant retires.

(c) Required Minimum Distributions.

(1) Required Beginning Date. The participant's entire interest will be distributed, or begin to be distributed, to the participant no later than the participant's Required Beginning Date as defined in Subsection (b) of this Section 2-162.36A.

(2) Death of participant Before Distributions Begin.

(A) If the participant dies before distributions begin, the participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the participant's surviving spouse is the participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the participant died, or by December 31 of the calendar year in which the participant would have attained age 70½, if later.

(ii) If the participant's surviving spouse is not the participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the participant died.

(iii) If there is no designated beneficiary as of September 30 of the year following the year of the participant's death, the participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death.

(B) The participant's entire interest shall be distributed as follows:

(i) participant Survived by Designated Beneficiary. If the participant dies before the date distribution of his or her interest begins and there is a designated beneficiary, the participant's entire interest will be distributed, beginning no later than the time described in Subparagraph (2)(A) above, over the life of the designated beneficiary or over a period certain not exceeding:

(I) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the participant's death; or

(II) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

(ii) No Designated Beneficiary. If the participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the participant's death, distribution of the participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. In any case in which (i) the participant dies before the date distribution of his or her interest begins, (ii) the participant's surviving spouse is the participant's sole designated beneficiary, and (iii) the surviving spouse dies before distributions to the surviving spouse begin, Subparagraphs (2)(A) and 2(B) above shall apply as though the surviving spouse were the participant.

(3) Requirements For Annuity Distributions That Commence During participant's Lifetime.

(A) Joint Life Annuities Where the Beneficiary Is Not the participant's Spouse. If the participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the participant and a

nonspousal beneficiary, annuity payments to be made on or after the participant's Required Beginning Date to the designated beneficiary after the participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the participant using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the participant and a nonspousal beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

(B) Period Certain Annuities. Unless the participant's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the participant's lifetime may not exceed the applicable distribution period for the participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the participant reaches age 70, the applicable distribution period for the participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the participant as of the participant's birthday in the year that contains the annuity starting date. If the participant's spouse is the participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the participant's applicable distribution period, as determined under this Subparagraph (3)(B), or the joint life and last survivor expectancy of the participant and the participant's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the participant's and spouse's attained ages as of the participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

(4) Form of Distribution. Unless the participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Subparagraphs (4)(A), (4)(B) and (4)(C) below. If the participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the

Treasury regulations. Any part of the participant's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

(A) General Annuity Requirements. If the participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

(i) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(ii) the distribution period will be over a life (or lives) or over a period certain, not longer than the distribution period described in Paragraphs 2 or 3 above, whichever is applicable, of this Subsection (c);

(iii) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;

(iv) payments will either be non-increasing or increase only as follows:

(I) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

(II) to the extent of the reduction in the amount of the participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period dies or is no longer the participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code;

(III) to provide cash refunds of employee contributions upon the participant's death; or

(IV) to pay increased benefits that result from a Plan amendment.

(B) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the participant's Required Beginning Date (or, if the participant dies before distributions begin, the date distributions are required to begin under Subparagraph (2)(A)(i) or (2)(A)(ii), whichever is applicable) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the participant's Required Beginning Date.

(C) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(5) For purposes of this Subsection (c), distributions are considered to begin on the participant's Required Beginning Date. If annuity payments irrevocably commence to the participant (or to the participant's Surviving Spouse) before the participant's Required Beginning Date (or, if to the participant's Surviving Spouse, before the date distributions are required to begin in accordance with Subparagraph (2)(A) above), the date distributions are considered to begin is the date distributions actually commence.

(6) Definitions.

(A) *Designated beneficiary.* The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4 of the Treasury regulations.

(B) *Distribution calendar year.* A calendar year for which a minimum distribution is required. For distributions beginning before the participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the participant's Required Beginning Date. For distributions beginning after the participant's death, the first distribution calendar year is the calendar

year in which distributions are required to begin pursuant to Paragraph (2) of this Subsection (c).

(C) *Life expectancy.* Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

(d) (1) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(2) Definitions

The following definitions apply to this Section:

(A) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:

(i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more;

(ii) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code;

(iii) the portion of any distribution which is made upon hardship of the member; and

(iv) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities), provided that a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax Employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution

plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(3) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, an annuity contract described in Section 403(b) of the Code, a qualified trust described in Section 401 (a) of the Code, an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan, or, with respect to distributions on or after January 1, 2008, a Roth IRA (subject to the limitations of Code Section 408A(c)(3)) that accepts the distributee's eligible rollover distribution.

(4) Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse. Furthermore, effective January 1, 2007, a surviving designated beneficiary as defined in Section 401(a)(9)(E) of the Code who is not the surviving spouse and who elects a direct rollover to an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code shall be considered a distributee.

(5) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

(e) Notwithstanding any other provision of this Plan, the maximum amount of any mandatory distribution, as defined in Section 401(a)(31) of the Code, payable under the Plan shall be $1000.

(f) Compensation Limitations Under 401(a)(17):

In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, the annual compensation of each

participant taken into account under the Plan shall not exceed the EGTRRA annual compensation limit for limitation years beginning after December 31, 2001. The EGTRRA annual compensation limit is $200,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the EGTRRA annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

Any reference in the Plan to the limitation under Section 401 (a)(17) of the Code shall mean the EGTRRA annual compensation limit set forth in this provision.

(g) At no time prior to the satisfaction of all liabilities under the plan with respect to members and their spouses or beneficiaries, shall any part of the corpus or income of the fund be used for or diverted to any purpose other than for their exclusive benefit.

SECTION 6. That Section 2-162.43(b) of the City of Jacksonville Beach Code of Ordinances shall be amended as follows:

Section 2-162.43. – Merger and termination.

(a) *Merger.* This retirement system shall not merge or consolidate with any other retirement system or pension plan, nor transfer any assets or liabilities to any other retirement system or pension plan, unless each member and beneficiary of the retirement system will receive a benefit immediately after such merger, consolidation, or transfer which is at least equal to the benefit the member or beneficiary was entitled to immediately before such merger, consolidation, or transfer.

(b) *Termination.* In the event of termination of the retirement system, the board of trustees shall follow the procedures contained in Florida Statutes and the Internal Revenue Code. A member's accrued benefit shall become 100% fully vested (non-forfeitable) upon the termination of this plan.

SECTION 7. All ordinances or parts of ordinances in conflict herewith be and the same are, to the extent that same may be in conflict, hereby repealed.

SECTION 8. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions are declared severable.

SECTION 9. Codification of this ordinance in the City Code of Ordinances is hereby authorized and directed.

SECTION 10. This ordinance shall take effect upon enactment.

AUTHENTICATED THIS _____ DAY OF _____, 2014.

_____
William C. Latham, Mayor

_____
Judy L. Bullock, City Clerk

Underlined text are additions

~~Strikethrough text are deletions~~

Introduced By: Councilmember Tom Taylor

1st Reading: February 3, 2014

2nd Reading: February 17, 2014

ORDINANCE NO. 2014-8048

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 6, 'POLICE OFFICERS' RETIREMENT SYSTEM' OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH; TO PROVIDE FOR COMPLIANCE WITH THE INTERNAL REVENUE CODE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR CODIFICATION AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on January 26, 2011, an application was filed with the Internal Revenue Service for a Favorable Determination Letter regarding the qualified status of the Plan under Section 401(a) of the Internal Revenue Code; and

WHEREAS, on January 24, 2013, the Internal Revenue Service issued a Favorable Determination Letter, finding that the Plan complies with all qualification requirements; and

WHEREAS, the Favorable Determination Letter is subject to the timely adoption of the amendments provided herein, and

WHEREAS, the trustees of the City of Jacksonville Beach Police Officers' Retirement System have requested and approved such amendments as being in the best interests of the participants and beneficiaries as well as improving the administration of the plan, and

WHEREAS, the City Council has received, reviewed and considered an actuarial impact statement describing the actual impact of the amendments provided for herein

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE BEACH, FLORIDA:

SECTION 1. That Section 2-163.7 of the City of Jacksonville Beach Code of Ordinances shall be amended by adding a Subsection (d) as follows:

Sec. 2-163.7. - Normal Retirement Conditions.

...

(d) Notwithstanding any other provision hereunder, a Member's accrued benefit under the Plan shall become non-forfeitable upon the attainment of Normal Retirement Age.

SECTION 2. That Section 2-163.9(d) of the City of Jacksonville Beach Code of Ordinances shall be repealed/deleted in its entirety and all following subsections renumbered/relettered accordingly:

Sec. 2-163.9. - Amount of a pension.

...

~~(d) Notwithstanding the provisions of this act, a member may not receive a benefit, which exceeds the maximum amount allowed under Section 415 of the Internal Revenue Code, which is incorporated herein by reference.~~

(de) Deferred Retirement Option Program. In general, and subject to the provisions of this section, the Deferred Retirement Option Program, hereinafter referred to as the DROP, is a program under which an eligible member of the retirement system may elect to participate, deferring receipt of retirement benefits while continuing employment with the city. The deferred monthly benefits shall accrue in the reserve for pension payments fund on behalf of the participant, plus interest compounded monthly, for the specified period of the DROP participation, as provided in subsection (e)(3) of this section. Upon termination of employment, the participant shall receive the total DROP benefits and begin to receive the previously determined normal retirement benefits. Employment in the DROP does not guarantee employment for the specified period of DROP.

(1) *Eligibility of member to participate in the DROP.* All retirement system members are eligible to elect participation in the DROP provided that election to participate is made on or after the member first reaches normal retirement date or age. The member shall advise the city and the retirement system in writing of the date on which the DROP shall begin.

(2) *Participation in the DROP.*

a. An eligible member may elect to participate in the DROP for a period not to exceed a maximum of thirty-six (36) consecutive months. Any member who has exceeded the thirty-six-month limitation shall not be eligible to participate in the DROP.

b. Upon deciding to participate in the DROP, the member shall submit on forms required by the retirement system:

1. A written election to participate in the DROP.

2. Selection of the DROP participation and termination dates, which satisfy the limitations stated in subsections (e)(1) and (e)(2)a of this section. Such termination date shall be in a binding letter of resignation with the city, establishing a deferred termination date. The member may terminate before the termination date within the limitations of subsection (e)(2) a. of this section, but only with advance written notice to the city.

3. A properly completed DROP application for service retirement as provided in this section.

4. A written election of form of pension payment, pursuant to section 2-163.10.

5. Any other information required by the retirement system.

c. The DROP participant shall be a retirant under the retirement system for all purposes except that payment of benefits to the retirant shall be deferred until separation from city employment.

d. A re-employed retirant with renewed membership is not eligible for DROP participation.

(3) *Benefits payable under the DROP.*

a. Effective with the date of DROP participation, the member's initial normal monthly benefit, including credited service and final average compensation, shall be fixed. Such retirement benefit, any annual cost-of-living adjustments which may be provided, and interest shall accrue monthly in the retirement system's reserve for pension payments. Such interest shall accrue at an annual rate set quarterly by the board of trustees, which shall not be less than 3.5 percent compounded monthly, on the prior month's accumulated ending balance, up to the month of termination or death. An annual administration fee of 0.75 percent shall be deducted from each DROP participant's accrued benefits, prorated monthly.

b. The effective date of retirement of a DROP participant shall be the first day of the month selected by the member to begin participation in the DROP.

c. Normal retirement benefits and interest thereon shall continue to accrue in the DROP until the established termination date of the DROP or until the participant terminates employment or dies prior to such date. Although individual DROP accounts shall not be established, a separate accounting of each participant's accrued benefits under the DROP shall be calculated and provided to participants annually.

d. At the conclusion of the participant's DROP, the retirement system shall distribute the participant's total accumulated DROP benefits, subject to the following provisions:

1. The retirement system shall receive verification from the city that the participant has terminated employment.

2. The terminated DROP participant or if deceased, such participant's named beneficiary, shall elect on forms provided by the retirement system to receive payment of the DROP benefits in accordance with one of the options listed below. For a participant or beneficiary who fails to elect a method of payment within (60) sixty-days of termination of the DROP, the retirement system will pay a lump sum as provided in (I).

(I) *Lump sum.* All accrued DROP benefits, plus interest, less withholding taxes remitted to the Internal Revenue Service, shall be paid to the DROP participant or surviving beneficiary.

(II) *Direct rollover.* All accrued DROP benefits, plus interest, shall be paid from the DROP directly to the custodian of an eligible retirement plan as defined in Section 402(c)(8)(B) of the Internal Revenue Code. However, in the case of an eligible rollover distribution to the surviving spouse of a deceased participant, an eligible retirement plan is an individual retirement account or an individual retirement annuity as described in Section 402(c)(9) of the Internal Revenue Code.

(III) Partial lump sum. A portion of the accrued DROP benefits shall be paid to the DROP participant or surviving spouse, less withholding taxes remitted to the Internal Revenue Service, and the remaining DROP benefits shall be transferred directly to the custodian of an eligible

retirement plan as defined in Section 402(c)(8)(B) of the Internal Revenue Code. However, in the case of an eligible rollover distribution to the surviving spouse of a deceased participant, an eligible retirement plan is an individual retirement account or an individual retirement annuity as described in Section 402(c)(9) of the Internal Revenue Code. The proportions shall be specified by the DROP participant or surviving beneficiary.

3. Regardless of the form of payout, a participant's DROP account continues until the account balance is exhausted.

4. For a DROP participant who fails to terminate city employment at the expiration of the 36-month maximum DROP participation period, the member shall be deemed not to be retired, the DROP election shall be null and void, and the member shall have no accumulated DROP benefits. Retirement system membership shall be reestablished retroactively to the date of the commencement of the DROP, and the member shall be required to pay to the retirement system the member contributions at the rate set forth in section 2.163.20, and the city contributions, as established pursuant to section 2-163.32, required during the period the member participated in the DROP, plus 6.5 percent interest compounded annually.

e. The accrued benefits of any DROP participant, and any contributions accumulated under such program, shall not be subject to assignment or attachment.

f. DROP participants shall not be eligible for disability retirement benefits as provided in sections 2-163.15, 2-163.16, 2-163.17, and 2-163.18, and the participant's beneficiaries and survivors shall not be eligible for the automatic survivor pension, death in the line of duty pension, or survivor pension as provided respectively in sections 2-163.12, 2-163.13, and 2-163.14.

(4) *Death benefits under the DROP.*

a. Upon the death of a DROP participant, the named beneficiary shall be entitled to apply for and receive the accrued benefits in the DROP as provided in subparagraph (e)(3)d.2 of this section.

b. The normal retirement benefit accrued to the DROP during the month of a participant's death shall be the final monthly benefit credited for such DROP participant.

c. Eligibility to participate in the DROP terminates upon death of the participant. If the participant dies on or after the effective date of enrollment in the DROP, but prior to the first monthly benefit being credited to the DROP, retirement system benefits shall be paid as though the DROP election had not been made.

(5) *Contributions.*

a. Member contributions shall not be made, due, or payable during a participant's DROP participation, section 2-163.20 hereof notwithstanding.

b. The city shall not pick up member contributions of a DROP participant during a participant's DROP participation; section 2-163.21 hereof notwithstanding, but instead shall be paid to the DROP participant as wages or salary.

(6) *Forfeiture of retirement benefits.* Nothing in this section shall be construed to remove DROP participants from the scope of Section 8(d). Art. II of the State Constitution, and Section 112.3173, Florida Statutes. DROP participants who commit a specified felony offense while employed will be subject to forfeiture of all retirement benefits, including DROP benefits, pursuant to those provisions of law.

(7) *Administration of program.* The board of trustees shall make such rules as are necessary for the effective and efficient administration of this subsection. The retirement system shall not be required to advise members of the federal tax consequences of an election related to the DROP but may advise members to seek independent advice.

SECTION 3. That Section 2-163.12(c) of the City of Jacksonville Beach Code of Ordinances shall be amended as follows:

Sec. 2-163.12. - Automatic survivor pension to spouse or children.

...

(c) (1) A deceased member's accrued pension shall be computed under the following presumptions:

a. The deceased member shall be presumed to have retired under the provisions of section 2-163.7 on the day preceding the member's death.

b. The deceased member shall be presumed to have elected Form of Payment I.

(2) The presumptions of retiring and election of Form of Payment shall be effective notwithstanding the failure to satisfy the specific requirements of sections 2-163.7 and 2-163.10 with regard to these activities.

(3) Death while performing USERRA-qualified active military service –

In the case of a Member who dies on or after January 1, 2007 while performing "Qualified Military Service" under Title 38, United States Code, Chapter 43, Uniformed Services Employment and Reemployment Rights Act ("USERRA") within the meaning of Section 414(u) of the Internal Revenue Code, any "additional benefits" (as defined by Section 401(a)(37) of the Internal Revenue Code) provided under the Plan that are contingent upon a Member's termination of employment due to death shall be determined as though the Member had resumed employment immediately prior to his death. With respect to any such "additional benefits," for vesting purposes only, credit shall be given for the period of the Member's absence from covered employment during "Qualified Military Service".

...

SECTION 4. That Section 2-163.14(c) of the City of Jacksonville Beach Code of Ordinances shall be amended as follows:

Sec. 2-163.14. - Survivor pension to named beneficiary.

...

(c) (1) The amount of pension shall be computed under the following presumptions:

a. The deceased member shall be presumed to have retired under the provisions of section 2-163.7 on the day preceding the member's death.

b. The deceased member shall be presumed to have elected Form of Payment II and named the contingent survivor beneficiary as survivor beneficiary.

(2) The presumptions of retiring, election of Form of Payment, and naming of survivor beneficiary shall be effective notwithstanding the failure to satisfy the specific requirements of sections 2-163.7 and 2-163.10 with regard to these activities.

(3) Death while performing USERRA-qualified active military service –

In the case of a Member who dies on or after January 1, 2007 while performing "Qualified Military Service" under Title 38, United States Code, Chapter 43, Uniformed Services Employment and Reemployment Rights Act ("USERRA") within the meaning of Section 414(u) of the Internal Revenue Code, any "additional benefits" (as defined by Section 401(a)(37) of the Internal Revenue Code) provided under the Plan that are contingent upon a Member's termination of employment due to death shall be determined as though the Member had resumed employment immediately prior to his death. With respect to any such "additional benefits," for vesting purposes only, credit shall be given for the period of the Member's absence from covered employment during "Qualified Military Service".

SECTION 5. That Section 2-163.36A of the City of Jacksonville Beach Code of Ordinances shall be amended as follows:

Sec. 2-163.36A. - ~~Eligible rollover distributions~~ Internal Revenue Code Compliance.

~~If the recipient of any eligible rollover distribution, as that term is defined in Section 402(f)(2)(A) of the Internal Revenue Code, including any lump sum payments of retirement benefits, lump sum refunds of member contributions, and lump sum returns of member contributions which were picked up by the city, elects to have such distribution paid directly to an eligible retirement plan or Individual Retirement Account (IRA), and specifies the eligible retirement plan or IRA to which such distribution is to be paid, in such form and at such time as the board of trustees may prescribe, then the distribution will be made in the form of a direct trustee-to-trustee transfer to the specified eligible retirement plan or IRA.~~

(a) Maximum amount of retirement income.

(1) The limitations of this Subsection (a) shall apply in limitation years beginning on or after July 1, 2007, except as otherwise provided herein, and are intended to comply with the requirements of the Pension Protection Act of 2006 and shall be construed in accordance with said Act and guidance issued thereunder. The provisions of this Subsection (a) shall supersede any

provision of the Plan to the extent such provision is inconsistent with this Subsection.

The Annual Pension as defined in Paragraph (2) below otherwise payable to a Member at any time shall not exceed the Dollar Limitation for the Member multiplied by a fraction whose value cannot exceed one, the numerator of which is the Member's number of years (or part thereof, but not less than one year) of service with the City and the denominator of which is 10. For this purpose, no more than one year of service may be credited for any Plan Year. If the benefit the Member would otherwise accrue in a limitation year would produce an Annual Pension in excess of the Dollar Limitation, the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Dollar Limitation.

(2) "Annual Pension" means the sum of all annual benefits, payable in the form of a straight life annuity. Benefits payable in any other form shall be adjusted to the larger of:

(A) For limitation years beginning on or after July 1, 2007

(I) the straight life annuity (if any) payable to the Member under the Plan commencing at the same Annuity Starting Date as the Member's form of benefit, or

(II) the actuarially equivalent straight life annuity commencing at the same Annuity Starting Date, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v).

(B) For limitation years beginning before July 1, 2007

(I) the actuarially equivalent straight life annuity commencing at the same Annuity Starting Date, computed using the interest rate and mortality basis specified by the Board of Trustees for determining Actuarial Equivalence under the Plan for the particular form of payment, or

(II) the actuarially equivalent straight life annuity commencing at the same Annuity Starting Date, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v).

No actuarial adjustment to the benefit shall be made for benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits); or the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to §417(e)(3) of the Internal Revenue Code and would otherwise satisfy the limitations of this Subsection (a), and the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this Subsection (a) applicable at the annuity starting date, as increased in subsequent years pursuant to § 415(d) of the Code. For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

(3) "Dollar Limitation" means, effective for the first limitation year beginning after January 1, 2001, $160,000, automatically adjusted under Code Section 415(d), effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a straight life annuity. The new limitation shall apply to limitation years ending with or within the calendar year of the date of the adjustment, but a Member's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. The Dollar Limitation shall be further adjusted based on the age of the Member when the benefit begins as follows:

(A) For Annuity Starting Dates in limitation years beginning on or after July 1, 2007

(I) If the Annuity Starting Date for the Member's benefit is after age 65

(i) If the Plan does not have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement

The Dollar Limitation at the Member's Annuity Starting Date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Member's Annuity Starting Date that is the actuarial equivalent of the Dollar Limitation with actuarial equivalence computed using a 5.00% interest rate assumption and the mortality basis prescribed in Code Section 415(b)(2)(E)(v) for that Annuity Starting Date (and expressing the Member's age based on

completed calendar months as of the Annuity Starting Date).

(ii) If the Plan does have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement.

The Dollar Limitation at the Member's Annuity Starting Date is the lesser of (aa) the Dollar Limitation multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of this Subsection (a), and (bb) the limitation determined under Subparagraph (3)(A)(I)(i) of this Subsection(a). For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the Member's Annuity Starting Date is the annual amount of such annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing straight life annuity under the Plan at age 65 is the annual amount of such annuity that would be payable under the Plan to a hypothetical Member who is age 65 and has the same Accrued Benefit as the Member.

(II) Except with respect to a Member who is a "Qualified Member" as defined in Section 415(b)(2)(H) of the Code, for benefits (except survivor and disability benefits as defined in Section 415(b)(2)(I) of the Code), if the Annuity Starting Date for the Member's benefit is before age 62

(i) If the Plan does not have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement

The Dollar Limitation at the Member's Annuity Starting Date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Member's Annuity Starting Date that

is the actuarial equivalent of the Dollar Limitation with actuarial equivalence computed using a 5.00% interest rate assumption and the mortality basis prescribed in Code Section 415(b)(2)(E)(v) for that Annuity Starting Date (and expressing the Member's age based on completed calendar months as of the Annuity Starting Date).

(ii) If the Plan does have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement

The Dollar Limitation at the Member's Annuity Starting Date is the lesser of (aa) the Dollar Limitation multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of this Subsection (a), and (bb) the limitation determined under Subparagraph (3)(A)(II)(i) of this Subsection (a).

(B) For Annuity Starting Dates in limitation years beginning before July 1, 2007

See table below:

Age as of Annuity Starting Date:	Adjustment of Dollar Limitation:
Over 65	The smaller of: (a) the actuarial equivalent of the limitation for age 65, computed using the interest rate and mortality basis specified by the Board of Trustees for determining actuarial equivalence under the Plan, or (b) the actuarial equivalent of the limitation for age 65, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v). Any increase in the Dollar Limitation determined in accordance with this paragraph shall not reflect a mortality decrement between age 65 and the age at which benefits commence if benefits are not forfeited upon the death of the Member. If any benefits are forfeited upon death, the full mortality decrement is taken into account.
62 to 65	No adjustment.
Less than 62	The smaller of: (a) the actuarial equivalent of the limitation for age 62, computed using the interest rate and mortality basis specified by the Board of Trustees for determining actuarial equivalence under the Plan, or (b) the actuarial equivalent of the limitation for age 62, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v). This adjustment shall not apply to any "Qualified Member" as defined in Section 415(b)(2)(H), nor to survivor and disability benefits as defined in Section 415(b)(2)(I) of the Code.

(4) With respect to clause (3)(A)(I)(i), clause (3)(A)(II)(i) and Paragraph (3)(B) above, no adjustment shall be made to the Dollar Limitation to reflect the probability of a Member's death between the Annuity Starting Date and age 62, or between age 65 and the Annuity Starting Date, as applicable, if benefits are not forfeited upon the death of the Member prior to the Annuity Starting Date.

To the extent benefits are forfeited upon death before the Annuity Starting Date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Member's death if the Plan does not charge Members for providing a qualified preretirement survivor annuity, as defined in Code Section 417(c), upon the Member's death.

(5) The term "limitation year" is the 12-month period, which is used for application of the limitations under Code Section 415 and shall be the calendar year.

(6) The limitations set forth in this Subsection (a) shall not apply if the Annual Pension does not exceed $10,000 provided the Member has never participated in a Defined Contribution Plan maintained by the City.

(7) Cost-of-living adjustments in the Dollar Limitation for benefits shall be limited to scheduled annual increases determined by the Secretary of the Treasury under Section Subsection 415(d) of the Code.

(8) In the case of a Member who has fewer than 10 years of participation in the Plan, the Dollar Limitation set forth in Paragraph (3) of this Subsection (a) shall be multiplied by a fraction - (i) the numerator of which is the number of years (or part thereof) of participation in the Plan, and (ii) the denominator of which is 10.

(9) Any portion of a Member's benefit that is attributable to mandatory Member contributions (unless picked-up by the City) or rollover contributions, shall be taken into account in the manner prescribed in the regulations under Section 415 of the Code.

(10) Should any Member participate in more than one defined benefit plan maintained by the City, in any case in which the Member's benefits under all such defined benefit plans (determined as of the same age) would exceed the Dollar Limitation applicable at that age, the accrual of the Member's benefit under this Plan shall be reduced so that the Member's combined benefits will equal the Dollar Limitation.

(11) For a Member who has or will have distributions commencing at more than one annuity starting date, the Annual Benefit shall be determined as of each such annuity starting date (and shall satisfy the limitations of this Section as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new starting date has occurred shall be made

without regard to § 1.401(a)-20, Q&A 10(d), and with regard to § 1.415(b) 1(b)(1)(iii)(B) and (C) of the Income Tax Regulations.

(12) The determination of the Annual Pension under Paragraph (A)(1) of this Subsection (a) shall take into account (in the manner prescribed by the regulations under Section 415 of the Code) social security supplements described in § 411(a)(9) of the Internal Revenue Code and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant § 1.411(d)-4, Q&A-3(c) of the Income Tax Regulations.

(13) The above limitations are intended to comply with the provisions of Section 415 of the Code, as amended, so that the maximum benefits provided by plans of the City shall be exactly equal to the maximum amounts allowed under Section 415 of the Code and regulations thereunder. If there is any discrepancy between the provisions of this Subsection (a) and the provisions of Section 415 of the Code and regulations thereunder, such discrepancy shall be resolved in such a way as to give full effect to the provisions of Section 415 of the Code. The value of any benefits forfeited as a result of the application of this Subsection (a) shall be used to decrease future employer contributions.

(14) For the purpose of applying the limitations set forth in Sections 401(a)(17) and 415 of the Internal Revenue Code, Compensation shall include any elective deferral (as defined in Code Section 402(g)(3) of the Internal Revenue Code), and any amount which is contributed or deferred by the employer at the election of the Member and which is not includible in the gross income of the Member by reason of Section 125 or 457 of the Internal Revenue Code. For limitation years beginning on and after January 1, 2001, for the purposes of applying the limitations described in this Subsection (a), compensation paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the Member by reason of Section 132(f)(4) of the Internal Revenue Code. For limitation years on or after July 1, 2007, compensation shall include payments that otherwise qualify as compensation and that are made by the later of: (a) 2 and ½ (two and one-half) months after severance from employment with the employer, and (b) the end of the limitation year that includes the date of severance.

(b) Required Beginning Date:

Notwithstanding any other provision of the Plan, payment of a participant's retirement benefits under the Plan shall commence not later than the participant's Required Beginning Date, which is defined as the later of:

-April 1 of the calendar year that next follows the calendar year in which the participant attains or will attain the age of 70½ years; or

-April 1 of the calendar year that next follows the calendar year in which the participant retires.

(c) Required Minimum Distributions.

(1) Required Beginning Date. The participant's entire interest will be distributed, or begin to be distributed, to the participant no later than the participant's Required Beginning Date as defined in Subsection (b) of this Section 2-163.36A.

(2) Death of participant Before Distributions Begin.

(A) If the participant dies before distributions begin, the participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the participant's surviving spouse is the participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the participant died, or by December 31 of the calendar year in which the participant would have attained age 70½, if later.

(ii) If the participant's surviving spouse is not the participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the participant died.

(iii) If there is no designated beneficiary as of September 30 of the year following the year of the participant's death, the participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death.

(B) The participant's entire interest shall be distributed as follows:

(i) participant Survived by Designated Beneficiary. If the participant dies before the date distribution of his or her interest

begins and there is a designated beneficiary, the participant's entire interest will be distributed, beginning no later than the time described in Subparagraph (2)(A) above, over the life of the designated beneficiary or over a period certain not exceeding:

(I) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the participant's death; or

(II) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

(ii) No Designated Beneficiary. If the participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the participant's death, distribution of the participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. In any case in which (i) the participant dies before the date distribution of his or her interest begins, (ii) the participant's surviving spouse is the participant's sole designated beneficiary, and (iii) the surviving spouse dies before distributions to the surviving spouse begin, Subparagraphs (2)(A) and 2(B) above shall apply as though the surviving spouse were the participant.

(3) Requirements For Annuity Distributions That Commence During participant's Lifetime.

(A) Joint Life Annuities Where the Beneficiary Is Not the participant's Spouse. If the participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the participant and a nonspousal beneficiary, annuity payments to be made on or after the participant's Required Beginning Date to the designated beneficiary after the participant's death must not at any time exceed the applicable

percentage of the annuity payment for such period that would have been payable to the participant using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the participant and a nonspousal beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

(B) Period Certain Annuities. Unless the participant's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the participant's lifetime may not exceed the applicable distribution period for the participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the participant reaches age 70, the applicable distribution period for the participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the participant as of the participant's birthday in the year that contains the annuity starting date. If the participant's spouse is the participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the participant's applicable distribution period, as determined under this Subparagraph (3)(B), or the joint life and last survivor expectancy of the participant and the participant's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the participant's and spouse's attained ages as of the participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

(4) Form of Distribution. Unless the participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Subparagraphs (4)(A), (4)(B) and (4)(C) below. If the participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations. Any part of the participant's interest which is in the form of an individual account described in Section 414(k) of the Code will be

distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

(A) General Annuity Requirements. If the participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

(i) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(ii) the distribution period will be over a life (or lives) or over a period certain, not longer than the distribution period described in Paragraphs 2 or 3 above, whichever is applicable, of this Subsection (c) ;

(iii) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;

(iv) payments will either be non-increasing or increase only as follows:

(I) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

(II) to the extent of the reduction in the amount of the participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period dies or is no longer the participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code;

(III) to provide cash refunds of employee contributions upon the participant's death; or

(IV) to pay increased benefits that result from a Plan amendment.

(B) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the participant's Required Beginning Date (or, if the participant dies before distributions begin, the date distributions are required to begin under Subparagraph (2)(A)(i) or (2)(A)(ii), whichever is applicable) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the participant's Required Beginning Date.

(C) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(5) For purposes of this Subsection (c), distributions are considered to begin on the participant's Required Beginning Date. If annuity payments irrevocably commence to the participant (or to the participant's Surviving Spouse) before the participant's Required Beginning Date (or, if to the participant's Surviving Spouse, before the date distributions are required to begin in accordance with Subparagraph (2)(A) above), the date distributions are considered to begin is the date distributions actually commence.

(6) Definitions.

(A) *Designated beneficiary*. The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4 of the Treasury regulations.

(B) *Distribution calendar year*. A calendar year for which a minimum distribution is required. For distributions beginning before the participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the participant's Required Beginning Date. For distributions beginning after the participant's death, the first distribution calendar year is the calendar

year in which distributions are required to begin pursuant to Paragraph (2) of this Subsection (c).

(C) *Life expectancy.* Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

(d) (1) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(2) Definitions

The following definitions apply to this Section:

(A) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:

(i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more;

(ii) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code;

(iii) the portion of any distribution which is made upon hardship of the member; and

(iv) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities), provided that a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax Employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution

plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(3) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, an annuity contract described in Section 403(b) of the Code, a qualified trust described in Section 401 (a) of the Code, an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan, or, with respect to distributions on or after January 1, 2008, a Roth IRA (subject to the limitations of Code Section 408A(c)(3)) that accepts the distributee's eligible rollover distribution.

(4) Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse. Furthermore, effective January 1, 2007, a surviving designated beneficiary as defined in Section 401(a)(9)(E) of the Code who is not the surviving spouse and who elects a direct rollover to an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code shall be considered a distributee.

(5) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

(e) Notwithstanding any other provision of this Plan, the maximum amount of any mandatory distribution, as defined in Section 401(a)(31) of the Code, payable under the Plan shall be $1000.

(f) Compensation Limitations Under 401(a)(17).
In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, the annual compensation of each participant taken into account under the Plan shall not exceed the EGTRRA annual

compensation limit for limitation years beginning after December 31, 2001. The EGTRRA annual compensation limit is $200,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the EGTRRA annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

Any reference in the Plan to the limitation under Section 401 (a)(17) of the Code shall mean the EGTRRA annual compensation limit set forth in this provision.

(g) At no time prior to the satisfaction of all liabilities under the plan with respect to members and their spouses or beneficiaries, shall any part of the corpus or income of the fund be used for or diverted to any purpose other than for their exclusive benefit.

SECTION 6. All ordinances or parts of ordinances in conflict herewith be and the same are, to the extent that same may be in conflict, hereby repealed.

SECTION 7. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions are declared severable.

SECTION 8. Codification of this ordinance in the City Code of Ordinances is hereby authorized and directed.

SECTION 9. This ordinance shall take effect upon enactment.

AUTHENTICATED THIS _____ DAY OF _____, 2014.

_____

William C. Latham, MAYOR

_____

Judy L. Bullock, CITY CLERK

Underlined text are additions

~~Strikethrough text are deletions~~

Introduced By: Councilmember Tom Taylor

1st Reading: February 3, 2014

2nd Reading: February 17, 2014

ORDINANCE NO. 2014-8049

AN ORDINANCE AMENDING CHAPTER 2 – ARTICLE V, DIVISION 7, 'FIREFIGHTERS' RETIREMENT SYSTEM' OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH; TO PROVIDE FOR COMPLIANCE WITH THE INTERNAL REVENUE CODE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR CODIFICATION AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on January 26, 2011, an application was filed with the Internal Revenue Service for a Favorable Determination Letter regarding the qualified status of the Plan under Section 401(a) of the Internal Revenue Code; and

WHEREAS, on January 24, 2013, the Internal Revenue Service issued a Favorable Determination Letter, finding that the Plan complies with all qualification requirements; and

WHEREAS, the Favorable Determination Letter is subject to the timely adoption of the amendments provided herein, and

WHEREAS, the trustees of the City of Jacksonville Beach Firefighters' Retirement System have requested and approved such amendments as being in the best interests of the participants and beneficiaries as well as improving the administration of the plan, and

WHEREAS, the City Council has received, reviewed and considered an actuarial impact statement describing the actual impact of the amendments provided for herein

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE BEACH, FLORIDA:

SECTION 1. That Section 2-164.7 of the City of Jacksonville Beach Code of Ordinances shall be amended by adding a Subsection (d) as follows:

Sec. 2-164.7 Normal Retirement Conditions.

...

(d) Notwithstanding any other provision hereunder, a Member's accrued benefit under the Plan shall become non-forfeitable upon the attainment of Normal Retirement Age.

SECTION 2. That Section 2-164.9(d) of the City of Jacksonville Beach Code of Ordinances shall be repealed/deleted in its entirety and all following subsections renumbered/relettered accordingly:

Sec. 2-164.9. **Amount of a pension**.

...

~~(d) Notwithstanding the provisions of this act, a member may not receive a benefit, which exceeds the maximum amount allowed under Section 415 of the Internal Revenue Code, which is incorporated herein by reference.~~

(de) Deferred Retirement Option Program. In general, and subject to the provisions of this section, the Deferred Retirement Option Program, hereinafter referred to as the DROP, is a program under which an eligible member of the retirement system may elect to participate, deferring receipt of retirement benefits while continuing employment with the city. The deferred monthly benefits shall accrue in the reserve for pension payments fund on behalf of the participant, plus interest compounded monthly, for the specified period of the DROP participation, as provided in subsection (e)(3) of this section. Upon termination of employment, the participant shall receive the total DROP benefits and begin to receive the previously determined normal retirement benefits. Employment in the DROP does not guarantee employment for the specified period of DROP.

(1) *Eligibility of member to participate in the DROP.* All retirement system members are eligible to elect participation in the DROP provided that election to participate is made on or after the member first reaches normal retirement date or age. The member shall advise the city and the retirement system in writing of the date on which the DROP shall begin.

(2) *Participation in the DROP.*

a. An eligible member may elect to participate in the DROP for a period not to exceed a maximum of thirty-six (36) consecutive months. Any member who has exceeded the 36-month limitation shall not be eligible to participate in the DROP.

b. Upon deciding to participate in the DROP, the member shall submit on forms required by the retirement system:

1. A written election to participate in the DROP.

2. Selection of the DROP participation and termination dates, which satisfy the limitations stated in subsections (e)(1) and (e)(2)a of this section. Such termination date shall be in a binding letter of resignation with the city, establishing a deferred termination date. The member may terminate before the termination date within the limitations of subsection (e)(2)a. of this section, but only with advance written notice to the city.

3. A properly completed DROP application for service retirement as provided in this section.

4. A written election of form of pension payment, pursuant to section 2-164.10.

5. Any other information required by the retirement system.

c. The DROP participant shall be a retirant under the retirement system for all purposes except that payment of benefits to the retirant shall be deferred until separation from city employment.

d. A re-employed retirant with renewed membership is not eligible for DROP participation.

(3) *Benefits payable under the DROP.*

a. Effective with the date of DROP participation, the member's initial normal monthly benefit, including credited service and final average compensation, shall be fixed. Such retirement benefit, any annual cost-of-living adjustments which may be provided, and interest shall accrue monthly in the retirement system's reserve for pension payments. Such interest shall accrue at an annual rate set quarterly by the board of trustees, which shall not be less than 3.5 percent compounded monthly, on the prior month's accumulated ending balance, up to the month of termination or death. An annual administration fee of 0.75 percent shall be deducted from each DROP participant's accrued benefits, prorated monthly.

b. The effective date of retirement of a DROP participant shall be the first day of the month selected by the member to begin participation in the DROP.

c. Normal retirement benefits and interest thereon shall continue to accrue in the DROP until the established termination date of the DROP or until the participant terminates employment or dies prior to such date. Although individual DROP accounts shall not be established, a separate accounting of each participant's accrued benefits under the DROP shall be calculated and provided to participants annually.

d. At the conclusion of the participant's DROP, the retirement system shall distribute the participant's total accumulated DROP benefits, subject to the following provisions:

1. The retirement system shall receive verification from the city that the participant has terminated employment.

2. The terminated DROP participant or if deceased, such participant's named beneficiary, shall elect on forms provided by the retirement system to receive payment of the DROP benefits in accordance with one of the options listed below. For a participant or beneficiary who fails to elect a method of payment within (60) sixty-days of termination of the DROP, the retirement system will pay a lump sum as provided in (I).

(I) Lump sum. All accrued DROP benefits, plus interest, less withholding taxes remitted to the Internal Revenue Service, shall be paid to the DROP participant or surviving beneficiary.

(II) Direct rollover. All accrued DROP benefits, plus interest, shall be paid from the DROP directly to the custodian of an eligible retirement plan as defined in Section 402(c)(8)(B) of the Internal Revenue Code. However, in the case of an eligible rollover distribution to the surviving spouse of a deceased participant, an eligible retirement plan is an individual retirement account or an individual retirement annuity as described in Section 402(c)(9) of the Internal Revenue Code.

(III) Partial lump sum. A portion of the accrued DROP benefits shall be paid to the DROP participant or surviving spouse, less withholding taxes remitted to the Internal Revenue Service, and the remaining DROP benefits shall be transferred directly to the custodian of an eligible

retirement plan as defined in Section 402(c)(8)(B) of the Internal Revenue Code. However, in the case of an eligible rollover distribution to the surviving spouse of a deceased participant, an eligible retirement plan is an individual retirement account or an individual retirement annuity as described in Section 402(c)(9) of the Internal Revenue Code. The proportions shall be specified by the DROP participant or surviving beneficiary.

3. Regardless of the form of payout, a participant's DROP account continues until the account balance is exhausted.

4. For a DROP participant who fails to terminate city employment at the expiration of the 36-month maximum DROP participation period, the member shall be deemed not to be retired, the DROP election shall be null and void, and the member shall have no accumulated DROP benefits. Retirement system membership shall be reestablished retroactively to the date of the commencement of the DROP, and the member shall be required to pay to the retirement system the member contributions at the rate set forth in section 2-164.20, and the city contributions, as established pursuant to section 2-164.32, required during the period the member participated in the DROP, plus 6.5 percent interest compounded annually.

e. The accrued benefits of any DROP participant, and any contributions accumulated under such program, shall not be subject to assignment or attachment.

f. DROP participants shall not be eligible for disability retirement benefits as provided in sections 2-164.15, 2-164.16, 2-164.17, and 2-164.18, and the participant's beneficiaries and survivors shall not be eligible for the automatic survivor pension, death in the line of duty pension, or survivor pension as provided respectively in sections 2-164.12, 2-164.13, and 2-164.14.

(4) *Death benefits under the DROP.*

a. Upon the death of a DROP participant, the named beneficiary shall be entitled to apply for and receive the accrued benefits in the DROP as provided in subsection (e)(3)d.2. of this section.

b. The normal retirement benefit accrued to the DROP during the month of a participant's death shall be the final monthly benefit credited for such DROP participant.

c. Eligibility to participate in the DROP terminates upon death of the participant. If the participant dies on or after the effective date of enrollment in the DROP, but prior to the first monthly benefit being credited to the DROP, retirement system benefits shall be paid as though the DROP election had not been made.

(5) *Contributions.*

a. Member contributions shall not be made, due, or payable during a participant's DROP participation, section 2-164.20 hereof notwithstanding.

b. The city shall not pick up member contributions of a DROP participant during a participant's DROP participation; section 2-164.21 hereof notwithstanding, but instead shall be paid to the DROP participant as wages or salary.

(6) *Forfeiture of retirement benefits.* Nothing in this section shall be construed to remove DROP participants from the scope of Section 8(d). Art. II of the State Constitution, and Section 112.3173, Florida Statutes. DROP participants who commit a specified felony offense while employed will be subject to forfeiture of all retirement benefits, including DROP benefits, pursuant to those provisions of law.

(7) *Administration of program.* The board of trustees shall make such rules as are necessary for the effective and efficient administration of this subsection. The retirement system shall not be required to advise members of the federal tax consequences of an election related to the DROP but may advise members to seek independent advice.

(~~f~~e) *Cost of living adjustment.* There shall be cost of living adjustment (COLA) to the monthly benefit of each member who was employed by the city on the day prior to retirement from the city and is receiving benefits under this plan as follows:

(1) Effective October 1, 2009 the monthly benefit of each individual who retired prior to January 1, 2009 shall be increased by two (2) percent as a one-time benefit adjustment.

(2) The monthly benefit of all individuals who retire on or after January 1, 2009 shall be increased by two (2) percent on the second anniversary date of their retirement and each anniversary date thereafter. This annual benefit increase shall also be paid to annuitants and beneficiaries of deceased firefighters or deceased retired firefighters, based on the date of the deceased firefighter's or deceased retired firefighter's retirement.

SECTION 3. That Section 2-164.12(c) of the City of Jacksonville Beach Code of Ordinances shall be amended as follows:

2-164.12 Automatic survivor pension to spouse or children

...

(c) (1) A deceased member's accrued pension shall be computed under the following presumptions:

a. The deceased member shall be presumed to have retired under the provisions of section 2-164.7 on the day preceding the member's death.

b. The deceased member shall be presumed to have elected Form of Payment I.

(2) The presumptions of retiring and election of Form of Payment shall be effective notwithstanding the failure to satisfy the specific requirements of sections 2-164.7 and 2-164.10 with regard to these activities.

<u>(3) Death while performing USERRA-qualified active military service –</u>

<u>In the case of a Member who dies on or after January 1, 2007 while performing "Qualified Military Service" under Title 38, United States Code, Chapter 43, Uniformed Services Employment and Reemployment Rights Act ("USERRA") within the meaning of Section 414(u) of the Internal Revenue Code, any "additional benefits" (as defined by Section 401(a)(37) of the Internal Revenue Code) provided under the Plan that are contingent upon a Member's termination of employment due to death shall be determined as though the Member had resumed employment immediately prior to his death. With respect to any such "additional benefits," for vesting purposes only, credit shall be given for the period of the Member's absence from covered employment during "Qualified Military Service".</u>

(d) No pension shall be paid under the provisions of this section if any pension is paid under the provisions of section 2-164.10.

SECTION 4. That Section 2-164.14 of the City of Jacksonville Beach Code of Ordinances shall be amended as follows:

Sec. 2-164.14. - Survivor pension to named beneficiary.

(a) A member may name a contingent survivor beneficiary for the exclusive purpose of being paid a pension that may become payable under the provisions of this section. The naming of a contingent survivor beneficiary shall be in writing and filed with the retirement system. The contingent survivor beneficiary may be changed at any time prior to termination of membership. The contingent survivor beneficiary shall be a person other than the spouse or child of the member.

(b) A pension shall be paid to the contingent survivor beneficiary, for life, if each of the following conditions is met:

(1) The member dies while employed by the city.

(2) The member, at time of death, has ten (10) or more years of credited service.

(3) No pension is payable under the provisions of section 2-164.13 to the member's spouse or children.

(c) (1) The amount of pension shall be computed under the following presumptions:

a. The deceased member shall be presumed to have retired under the provisions of section 2-164.7 on the day preceding the member's death.

b. The deceased member shall be presumed to have elected Form of Payment II and named the contingent survivor beneficiary as survivor beneficiary.

(2) The presumptions of retiring, election of Form of Payment, and naming of survivor beneficiary shall be effective notwithstanding the failure to satisfy the specific requirements of sections 2-164.7 and 2-164.10 with regard to these activities.

<u>(3) Death while performing USERRA-qualified active military service –</u>

In the case of a Member who dies on or after January 1, 2007 while performing "Qualified Military Service" under Title 38, United States Code, Chapter 43, Uniformed Services Employment and Reemployment Rights Act ("USERRA") within the meaning of Section 414(u) of the Internal Revenue Code, any "additional benefits" (as defined by Section 401(a)(37) of the Internal Revenue Code) provided under the Plan that are contingent upon a Member's termination of employment due to death shall be determined as though the Member had resumed employment immediately prior to his death. With respect to any such "additional benefits," for vesting purposes only, credit shall be given for the period of the Member's absence from covered employment during "Qualified Military Service".

SECTION 5. That Section 2-164.36A of the City of Jacksonville Beach Code of Ordinances shall be amended as follows:

Sec. 2-164.36A Eligible ~~rollover distributions~~ Internal Revenue Code Compliance.

~~If the recipient of any eligible rollover distribution, as that term is defined in Section 402(f)(2)(A) of the Internal Revenue Code, including any lump sum payments of retirement benefits, lump sum refunds of member contributions, and lump sum returns of member contributions which were picked up by the city, elects to have such distribution paid directly to an eligible retirement plan or Individual Retirement Account (IRA), and specifies the eligible retirement plan or IRA to which such distribution is to be paid, in such form and at such time as the board of trustees may prescribe, then the distribution will be made in the form of a direct trustee to trustee transfer to the specified eligible retirement plan or IRA.~~

(a) MAXIMUM AMOUNT OF RETIREMENT INCOME

(1) The limitations of this Subsection (a) shall apply in limitation years beginning on or after July 1, 2007, except as otherwise provided herein, and are intended to comply with the requirements of the Pension Protection Act of 2006 and shall be construed in accordance with said Act and guidance issued thereunder. The provisions of this Subsection (a) shall supersede any provision of the Plan to the extent such provision is inconsistent with this Subsection.

The Annual Pension as defined in Paragraph (2) below otherwise payable to a Member at any time shall not exceed the Dollar Limitation for the Member multiplied by a fraction whose value cannot exceed one, the numerator of which is the Member's number of years (or part thereof, but not less than one year) of

service with the City and the denominator of which is 10. For this purpose, no more than one year of service may be credited for any Plan Year. If the benefit the Member would otherwise accrue in a limitation year would produce an Annual Pension in excess of the Dollar Limitation, the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Dollar Limitation.

(2) "Annual Pension" means the sum of all annual benefits, payable in the form of a straight life annuity. Benefits payable in any other form shall be adjusted to the larger of:

(A) For limitation years beginning on or after July 1, 2007

(I) the straight life annuity (if any) payable to the Member under the Plan commencing at the same Annuity Starting Date as the Member's form of benefit, or

(II) the actuarially equivalent straight life annuity commencing at the same Annuity Starting Date, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v).

(B) For limitation years beginning before July 1, 2007

(I) the actuarially equivalent straight life annuity commencing at the same Annuity Starting Date, computed using the interest rate and mortality basis specified by the Board of Trustees for determining Actuarial Equivalence under the Plan for the particular form of payment, or

(II) the actuarially equivalent straight life annuity commencing at the same Annuity Starting Date, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v).

No actuarial adjustment to the benefit shall be made for benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits); or the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to §417(e)(3) of the Internal Revenue Code and would otherwise satisfy the limitations of this Subsection (a), and the amount payable under the form of benefit in any Limitation Year shall not

exceed the limits of this Subsection (a) applicable at the annuity starting date, as increased in subsequent years pursuant to § 415(d) of the Code. For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

(3) "Dollar Limitation" means, effective for the first limitation year beginning after January 1, 2001, $160,000, automatically adjusted under Code Section 415(d), effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a straight life annuity. The new limitation shall apply to limitation years ending with or within the calendar year of the date of the adjustment, but a Member's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. The Dollar Limitation shall be further adjusted based on the age of the Member when the benefit begins as follows:

(A) For Annuity Starting Dates in limitation years beginning on or after July 1, 2007

(I) If the Annuity Starting Date for the Member's benefit is after age 65

(i) If the Plan does not have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement.

The Dollar Limitation at the Member's Annuity Starting Date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Member's Annuity Starting Date that is the actuarial equivalent of the Dollar Limitation with actuarial equivalence computed using a 5.00% interest rate assumption and the mortality basis prescribed in Code Section 415(b)(2)(E)(v) for that Annuity Starting Date (and expressing the Member's age based on completed calendar months as of the Annuity Starting Date).

(ii) If the Plan does have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement.

The Dollar Limitation at the Member's Annuity Starting Date is the lesser of (aa) the Dollar Limitation multiplied by

the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of this Subsection (a), and (bb) the limitation determined under Subparagraph (3)(A)(I)(i) of this Subsection(a). For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the Member's Annuity Starting Date is the annual amount of such annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing straight life annuity under the Plan at age 65 is the annual amount of such annuity that would be payable under the Plan to a hypothetical Member who is age 65 and has the same Accrued Benefit as the Member.

(II) Except with respect to a Member who is a "Qualified Member" as defined in Section 415(b)(2)(H) of the Code, for benefits (except survivor and disability benefits as defined in Section 415(b)(2)(I) of the Code), if the Annuity Starting Date for the Member's benefit is before age 62.

(i) If the Plan does not have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement.

The Dollar Limitation at the Member's Annuity Starting Date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Member's Annuity Starting Date that is the actuarial equivalent of the Dollar Limitation with actuarial equivalence computed using a 5.00% interest rate assumption and the mortality basis prescribed in Code Section 415(b)(2)(E)(v) for that Annuity Starting Date (and expressing the Member's age based on completed calendar months as of the Annuity Starting Date).

(ii) If the Plan does have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement.

The Dollar Limitation at the Member's Annuity Starting Date is the lesser of (aa) the Dollar Limitation multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of this Subsection (a), and (bb) the limitation determined under Subparagraph (3)(A)(II)(i) of this Subsection (a).

(B) For Annuity Starting Dates in limitation years beginning before July 1, 2007

See table below:

Age as of Annuity Starting Date:	Adjustment of Dollar Limitation:
Over 65	The smaller of: (a) the actuarial equivalent of the limitation for age 65, computed using the interest rate and mortality basis specified by the Board of Trustees for determining actuarial equivalence under the Plan, or (b) the actuarial equivalent of the limitation for age 65, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v). Any increase in the Dollar Limitation determined in accordance with this paragraph shall not reflect a mortality decrement between age 65 and the age at which benefits commence if benefits are not forfeited upon the death of the Member. If any benefits are forfeited upon death, the full mortality decrement is taken into account.
62 to 65	No adjustment.
Less than 62	The smaller of: (a) the actuarial equivalent of the limitation for age 62, computed using the interest rate and mortality basis specified by the Board of Trustees for determining actuarial equivalence under the Plan, or (b) the actuarial equivalent of the limitation for age 62, computed using a 5.00% interest rate and the mortality basis prescribed in Code Section 415(b)(2)(E)(v). This adjustment shall not apply to any "Qualified Member" as defined in Section 415(b)(2)(H), nor to survivor and disability benefits as defined in Section 415(b)(2)(I) of the Code.

(4) With respect to clause (3)(A)(I)(i), clause (3)(A)(II)(i) and Paragraph (3)(B) above, no adjustment shall be made to the Dollar Limitation to reflect the probability of a Member's death between the Annuity Starting Date and age 62, or between age 65 and the Annuity Starting Date, as applicable, if benefits are not forfeited upon the death of the Member prior to the Annuity Starting Date. To the extent benefits are forfeited upon death before the Annuity Starting Date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Member's death if the Plan does not charge

Members for providing a qualified preretirement survivor annuity, as defined in Code Section 417(c), upon the Member's death.

(5) The term "limitation year" is the 12-month period, which is used for application of the limitations under Code Section 415 and shall be the calendar year.

(6) The limitations set forth in this Subsection (a) shall not apply if the Annual Pension does not exceed $10,000 provided the Member has never participated in a Defined Contribution Plan maintained by the City.

(7) Cost-of-living adjustments in the Dollar Limitation for benefits shall be limited to scheduled annual increases determined by the Secretary of the Treasury under Section Subsection 415(d) of the Code.

(8) In the case of a Member who has fewer than 10 years of participation in the Plan, the Dollar Limitation set forth in Paragraph (3) of this Subsection (a) shall be multiplied by a fraction - (i) the numerator of which is the number of years (or part thereof) of participation in the Plan, and (ii) the denominator of which is 10.

(9) Any portion of a Member's benefit that is attributable to mandatory Member contributions (unless picked-up by the City) or rollover contributions shall be taken into account in the manner prescribed in the regulations under Section 415 of the Code.

(10) Should any Member participate in more than one defined benefit plan maintained by the City, in any case in which the Member's benefits under all such defined benefit plans (determined as of the same age) would exceed the Dollar Limitation applicable at that age, the accrual of the Member's benefit under this Plan shall be reduced so that the Member's combined benefits will equal the Dollar Limitation.

(11) For a Member who has or will have distributions commencing at more than one annuity starting date, the Annual Benefit shall be determined as of each such annuity starting date (and shall satisfy the limitations of this Section as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new starting date has occurred shall be made without regard to § 1.401(a)-20, Q&A 10(d), and with regard to § 1.415(b)1(b)(1)(iii)(B) and (C) of the Income Tax Regulations.

(12) The determination of the Annual Pension under Paragraph (A)(1) of this Subsection (a) shall take into account (in the manner prescribed by the regulations under Section 415 of the Code) social security supplements described in § 411(a)(9) of the Internal Revenue Code and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant § 1.411(d)-4, Q&A-3(c) of the Income Tax Regulations.

(13) The above limitations are intended to comply with the provisions of Section 415 of the Code, as amended, so that the maximum benefits provided by plans of the City shall be exactly equal to the maximum amounts allowed under Section 415 of the Code and regulations thereunder. If there is any discrepancy between the provisions of this Subsection (a) and the provisions of Section 415 of the Code and regulations thereunder, such discrepancy shall be resolved in such a way as to give full effect to the provisions of Section 415 of the Code. The value of any benefits forfeited as a result of the application of this Subsection (a) shall be used to decrease future employer contributions.

(14) For the purpose of applying the limitations set forth in Sections 401(a)(17) and 415 of the Internal Revenue Code, Compensation shall include any elective deferral (as defined in Code Section 402(g)(3) of the Internal Revenue Code), and any amount which is contributed or deferred by the employer at the election of the Member and which is not includible in the gross income of the Member by reason of Section 125 or 457 of the Internal Revenue Code. For limitation years beginning on and after January 1, 2001, for the purposes of applying the limitations described in this Subsection (a), compensation paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the Member by reason of Section 132(f)(4) of the Internal Revenue Code. For limitation years on or after July 1, 2007, compensation shall include payments that otherwise qualify as compensation and that are made by the later of: (a) 2 and ½ (two and one-half) months after severance from employment with the employer, and (b) the end of the limitation year that includes the date of severance.

(b) Required Beginning Date:

Notwithstanding any other provision of the Plan, payment of a participant's retirement benefits under the Plan shall commence not later than the participant's Required Beginning Date, which is defined as the later of:

-April 1 of the calendar year that next follows the calendar year in which the participant attains or will attain the age of 70½ years; or

-April 1 of the calendar year that next follows the calendar year in which the participant retires.

(c) Required Minimum Distributions.

(1) Required Beginning Date. The participant's entire interest will be distributed, or begin to be distributed, to the participant no later than the participant's Required Beginning Date as defined in Subsection (b) of this Section 2-164.36A.

(2) Death of participant Before Distributions Begin.

(A) If the participant dies before distributions begin, the participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the participant's surviving spouse is the participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the participant died, or by December 31 of the calendar year in which the participant would have attained age 70½, if later.

(ii) If the participant's surviving spouse is not the participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the participant died.

(iii) If there is no designated beneficiary as of September 30 of the year following the year of the participant's death, the participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death.

(B) The participant's entire interest shall be distributed as follows:

(i) Participant Survived by Designated Beneficiary. If the participant dies before the date distribution of his or her interest begins and there is a designated beneficiary, the participant's entire interest will be distributed, beginning no later than the time

described in Subparagraph (2)(A) above, over the life of the designated beneficiary or over a period certain not exceeding:

(I) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the participant's death; or

(II) If the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

(ii) No Designated Beneficiary. If the participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the participant's death, distribution of the participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. In any case in which (i) the participant dies before the date distribution of his or her interest begins, (ii) the participant's surviving spouse is the participant's sole designated beneficiary, and (iii) the surviving spouse dies before distributions to the surviving spouse begin, Subparagraphs (2)(A) and 2(B) above shall apply as though the surviving spouse were the participant.

(3) Requirements For Annuity Distributions That Commence During participant's Lifetime.

(A) Joint Life Annuities Where the Beneficiary Is Not the participant's Spouse. If the participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the participant and a nonspousal beneficiary, annuity payments to be made on or after the participant's Required Beginning Date to the designated beneficiary after the participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the participant using the table set forth in Q&A-2 of Section

1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the participant, a nonspousal beneficiary, and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

(B) Period Certain Annuities. Unless the participant's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the participant's lifetime may not exceed the applicable distribution period for the participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the participant reaches age 70, the applicable distribution period for the participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the participant as of the participant's birthday in the year that contains the annuity starting date. If the participant's spouse is the participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the participant's applicable distribution period, as determined under this Subparagraph (3)(B), or the joint life and last survivor expectancy of the participant and the participant's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the participant's and spouse's attained ages as of the participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

(4) Form of Distribution. Unless the participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Subparagraphs (4)(A), (4)(B) and (4)(C) below. If the participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations. Any part of the participant's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

(A) General Annuity Requirements. If the participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

(i) The annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(ii) the distribution period will be over a life (or lives) or over a period certain, not longer than the distribution period described in Paragraphs 2 or 3 above, whichever is applicable, of this Subsection (c);

(iii) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;

(iv) Payments will either be non-increasing or increase only as follows:

(I) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

(II) to the extent of the reduction in the amount of the participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period dies or is no longer the participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code;

(III) To provide cash refunds of employee contributions upon the participant's death; or

(IV) To pay increased benefits that result from a Plan amendment.

(B) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the participant's Required Beginning Date (or, if the participant dies before distributions begin, the date distributions are required to begin under Subparagraph

(2)(A)(i) or (2)(A)(ii), whichever is applicable) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the participant's Required Beginning Date.

(C) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(5) For purposes of this Subsection (c), distributions are considered to begin on the participant's Required Beginning Date. If annuity payments irrevocably commence to the participant (or to the participant's Surviving Spouse) before the participant's Required Beginning Date (or, if to the participant's Surviving Spouse, before the date distributions are required to begin in accordance with Subparagraph (2)(A) above), the date distributions are considered to begin is the date distributions actually commence.

(6) Definitions.

(A) *Designated beneficiary*. The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4 of the Treasury regulations.

(B) *Distribution calendar year*. A calendar year for which a minimum distribution is required. For distributions beginning before the participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the participant's Required Beginning Date. For distributions beginning after the participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Paragraph (2) of this Subsection (c).

(C) *Life expectancy*. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

(d) (1) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(2) Definitions

The following definitions apply to this Section:

(A) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:

(i) Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more;

(ii) Any distribution to the extent such distribution is required under Section 401(a)(9) of the Code;

(iii) The portion of any distribution which is made upon hardship of the member; and

(iv) The portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities), provided that a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax Employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(3) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, an annuity contract described in Section 403(b) of the Code, a qualified trust described in Section 401 (a) of the Code, an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan, or, with respect to distributions on or after January 1, 2008, a Roth IRA (subject to the limitations of Code Section 408A(c)(3)) that accepts the distributee's eligible rollover distribution.

(4) Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributee's with regard to the interest of the spouse or former spouse. Furthermore, effective January 1, 2007, a surviving designated beneficiary as defined in Section 401(a)(9)(E) of the Code who is not the surviving spouse and who elects a direct rollover to an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code shall be considered a distributee.

(5) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

(e) Notwithstanding any other provision of this Plan, the maximum amount of any mandatory distribution, as defined in Section 401(a)(31) of the Code, payable under the Plan shall be $1000.

(f) Compensation Limitations Under 401(a)(17):

In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, the annual compensation of each participant taken into account under the Plan shall not exceed the EGTRRA annual compensation limit for limitation years beginning after December 31, 2001. The EGTRRA annual compensation limit is $200,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation is determined (determination period)

beginning in such calendar year. If a determination period consists of fewer than 12 months, the EGTRRA annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

Any reference in the Plan to the limitation under Section 401 (a)(17) of the Code shall mean the EGTRRA annual compensation limit set forth in this provision.

(g) At no time prior to the satisfaction of all liabilities under the plan with respect to members and their spouses or beneficiaries, shall any part of the corpus or income of the fund be used for or diverted to any purpose other than for their exclusive benefit.

SECTION 6. All ordinances or parts of ordinances in conflict herewith be and the same are, to the extent that same may be in conflict, hereby repealed.

SECTION 7. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions are declared severable.

SECTION 8. Codification of this ordinance in the City Code of Ordinances is hereby authorized and directed.

SECTION 9. This ordinance shall take effect upon enactment.

AUTHENTICATED THIS _____ DAY OF _____, 2014.

_____

William C. Latham, MAYOR

_____

Judy L. Bullock, CITY CLERK

JACKSONVILLE BEACH

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MEMORANDUM

TO: George D. Forbes, City Manager

FROM: Karen Nelson, Human Resources Director

SUBJECT: Ordinance Numbers:

- 2014-8044 amending Chapter 2, Article V, Division 5 - General Employees' Retirement System
- 2014-8045 amending Chapter 2, Article V, Division 6 - Police Officers' Retirement System
- 2014-8046 amending Chapter 2, Article V, Division 7 - Firefighters' Retirement System

DATE: January 24, 2014

ACTION REQUESTED

Adopt Ordinance Numbers 2014-8044, 2014-8045 and 2014-8046 amending Chapter 2, Article V, "Employee Benefits," of the Code of Ordinances of the City of Jacksonville Beach, for the General Employees' Retirement System, the Police Officers' Retirement System and the Firefighters' Retirement System.

BACKGROUND

Currently, employees designated as Executive or Department Heads are not required to be in the City's pension plans. This is because these positions are more mobile and candidates may not have the expectation of meeting the required vesting periods in order to become eligible for the City's retirement plans. The City's General Employees', Police Officers' and Firefighters' Retirement Plans currently require that Executive or Department Head employees make an election within 90 days of employment or promotion as to whether they would like to participate, or not participate in their retirement plan. The plans also allow these employees a one-time option to rescind this decision, although the language in our ordinances is somewhat contradictory and confusing. In order to clarify these provisions we have requested that our pension attorneys rewrite the ordinances to include the following changes:

- Permit employees designated as Executive or Department Heads the option to rescind their election to participate or not to participate in their pension plan one time prior to vesting.

- If the Executive or Department Head elects to discontinue their participation in their retirement plan, the retirement plan will reimburse them all of their accumulated member contributions pursuant to sections 2-162.22, 2-163.22 or 2-164.22 of each respective pension plan. The plan will not reimburse the employee for any contributions made by the City.

- If the Executive or Department Head previously elected not to participate in their pension plan and later chooses to participate, they will be required to make their pension plans whole. They will reimburse their plan for any accumulated member contributions withdrawn, pay all member and employer contributions from the time they did not participate plus a rate of interest equal to the plan's assumed rate of return for the service purchased, as determined by the pension plans' actuary.

If the Executive or Department Head elects not to participate in their retirement plan, the City will make bi-weekly contributions into the ICMA 457 Deferred Compensation Plan, a private savings or checking account or any other individual retirement plan designated by the employee, in an amount not to exceed the current rate of the City's contribution to the General Employees' Pension Plan.

Brad Armstrong, actuary for Gabriel Roeder Smith & Company (actuaries for the City's pension plans) tentatively reviewed the proposed ordinances and has indicated that he does not anticipate any financial impact to the retirement plans should these ordinances be adopted. Impact statements regarding the proposed changes to the ordinances are currently being prepared and will be available prior to the second reading of the ordinance.

RECOMMENDATION

- Adopt Ordinance Number 2014-8044 amending Chapter 2, Article V, Division 5, "General Employees" Retirement System", of the Code of Ordinances of the City of Jacksonville Beach.

- Adopt Ordinance Number 2014-8045 amending Chapter 2, Article V, Division 6, "Police Officers' Retirement System", of the Code of Ordinances of the City of Jacksonville Beach.

RECOMMENDATION *(continued)*

- Adopt Ordinance Number 2014-8046 amending Chapter 2, Article V, Division 7, "Firefighters' Retirement System", of the Code of Ordinances of the City of Jacksonville Beach.

Introduced By: _____

1st Reading: _____

2nd Reading: _____

ORDINANCE NO. 2014-8044

AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, AMENDING CHAPTER 2, ARTICLE V OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, "EMPLOYEE BENEFITS," DIVISION 5, RETIREMENT PLAN FOR GENERAL EMPLOYEES OF THE CITY OF JACKSONVILLE BEACH, TO PROVIDE FOR PERMITTING DEPARTMENT HEADS THE OPTION TO RESCIND THEIR ELECTION TO PARTICIPATE IN THE PLAN ONE TIME BEFORE VESTING; TERMS GOVERNING THE BUY-IN AND BUY-OUT OF SERVICE CREDIT RELATED TO SUCH ELECTIONS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF JACKSONVILLE BEACH, FLORIDA:

Section 1. Chapter 2, Section 2-162.3(b) of the Code of Ordinances of the City of Jacksonville Beach (the "Code") is hereby amended by adding the underlined language and deleting the ~~stricken language~~ as follows:

Sec. 2-162.3. – Membership of the general employees' retirement system.

(b) Excluded positions are:

(1) Mayor and city council members.

(2) Positions which are compensated on a basis not subject to the withholding of federal income taxes or FICA taxes by the city.

(3) Any person initially employed as or promoted to a position designated by the city council, as executive or department head shall elect, within ninety (90) days of initial employment or promotion, to participate or not participate in the retirement system. Such election ~~shall be irrevocable for as long as the employee holds such executive or department head position~~ may be revoked only one time prior to vesting, after which no further participation changes shall be allowed. Should any such member elect to discontinue participation in the retirement system, ~~the member's entitlement to benefits hereunder shall be governed by the system's provisions in effect at the time of such discontinuance.~~ the retirement system shall return to such member all accumulated member contributions

pursuant to the procedures described in section 2-162.22. ~~Notwithstanding the above, any person who elected not to participate in the retirement system shall be afforded an irrevocable opportunity to re-enter the retirement system within five (5) years of the election not to participate in the retirement system. For such person who is currently employed and elected such option in excess of the five (5) year period an irrevocable opportunity to re-enter the retirement system shall be afforded to be exercised within ninety (90) days of adoption of this ordinance. On such election to re-enter the retirement system~~ If a member previously elected not to participate in the retirement system and later chooses to participate, the individual shall be required to pay to the retirement system any accumulated member contributions that were withdrawn from the retirement system, if any, and shall pay all member and employer contributions for the time that the person did not participate in the retirement system plus a rate of interest ~~to~~ equal to the plan's assumed rate of return for the service purchased, as determined by the fund actuary.

(4) Temporary employees.

(5) Police officers and reserve police officers.

(6) Firefighters.

(7) Part-time employees who are retirants of a City of Jacksonville Beach retirement system receiving normal retirement pensions from this retirement system.

Section 2. If any section, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, that holding shall in no way affect the validity of the remaining portions of this Ordinance.

Section 3. All ordinances or parts of ordinances, in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 4. This Ordinance shall be effective on adoption.

AUTHENTICATED THIS _____ DAY OF _____, 2014.

_____

William C. Latham, MAYOR

_____

Judy L. Bullock, CITY CLERK

Introduced By: _____

1st Reading: _____

2nd Reading: _____

ORDINANCE NO. 2014-8045

AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, AMENDING CHAPTER 2, ARTICLE V OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, "EMPLOYEE BENEFITS," DIVISION 6, RETIREMENT PLAN FOR POLICE OFFICERS OF THE CITY OF JACKSONVILLE BEACH, TO PROVIDE FOR PERMITTING THE POLICE CHIEF THE OPTION TO RESCIND THEIR ELECTION TO PARTICIPATE IN THE PLAN ONE TIME BEFORE VESTING; TERMS GOVERNING THE BUY-IN AND BUY-OUT OF SERVICE CREDIT RELATED TO SUCH ELECTIONS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF JACKSONVILLE BEACH, FLORIDA:

Section 1. Chapter 2, Section 2-163.3(b) of the Code of Ordinances of the City of Jacksonville Beach (the "Code") is hereby amended by adding the underlined language and deleting the ~~stricken language~~ as follows:

Sec. 2-163.3. – Membership of retirement system.

(b) Excluded positions are:

(1) Reserve police officers;

(2) Any person initially employed as or promoted to a position designated by the city council, as the police chief shall elect, within ninety (90) days of initial employment or promotion, to participate or not participate in the retirement system. Such election ~~shall be irrevocable for as long as the employee holds such executive or department head position~~ may be revoked only one time prior to vesting, after which no further participation changes shall be allowed. Should any such member elect to discontinue participation in the retirement system, ~~the member's entitlement to benefits hereunder shall be governed by the system's provisions in effect at the time of such discontinuance~~ the retirement system shall return to such member all accumulated member contributions pursuant to the procedures described in section 2-163.22. If a member previously elected not to participate in the retirement system and later chooses to participate, the

individual shall be required to pay to the retirement system any accumulated member contributions that were withdrawn from the retirement system, if any, and shall pay all member and employer contributions for the time that the person did not participate in the retirement system plus a rate of interest equal to the plan's assumed rate of return for the service purchased, as determined by the fund actuary.

Section 2. If any section, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, that holding shall in no way affect the validity of the remaining portions of this Ordinance.

Section 3. All ordinances or parts of ordinances, in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 4. This Ordinance shall be effective on adoption.

AUTHENTICATED THIS _____ DAY OF _____, 2014.

_____

William C. Latham, MAYOR

_____

Judy L. Bullock, CITY CLERK

Introduced By: _____

1st Reading: _____

2nd Reading: _____

ORDINANCE NO. 2014-8046

AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, AMENDING CHAPTER 2, ARTICLE V OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, "EMPLOYEE BENEFITS," DIVISION 7, RETIREMENT PLAN FOR FIREFIGHTERS OF THE CITY OF JACKSONVILLE BEACH, TO PROVIDE FOR PERMITTING THE FIRE CHIEF THE OPTION TO RESCIND THEIR ELECTION TO PARTICIPATE IN THE PLAN ONE TIME BEFORE VESTING; TERMS GOVERNING THE BUY-IN AND BUY-OUT OF SERVICE CREDIT RELATED TO SUCH ELECTIONS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF JACKSONVILLE BEACH, FLORIDA:

Section 1. Chapter 2, Section 2-164.3(b) of the Code of Ordinances of the City of Jacksonville Beach (the "Code") is hereby amended by adding the underlined language and deleting the ~~stricken language~~ as follows:

Sec. 2-164.3. – Membership of the firefighters' retirement system.

(b) Any person initially employed as or promoted to a position designated by the city council, as the fire chief shall elect, within ninety (90) days of initial employment or promotion, to participate or not participate in the retirement system. Such election ~~shall be irrevocable for as long as the employee holds such executive or department head position~~ may be revoked only one time prior to vesting, after which no further participation changes shall be allowed. Should any such member elect to discontinue participation in the retirement system, ~~the member's entitlement to benefits hereunder shall be governed by the system's provisions in effect at the time of such discontinuance~~ the retirement system shall return to such member all accumulated member contributions pursuant to the procedures described in section 2-164.22. If a member previously elected not to participate in the retirement system and later chooses to participate, the individual shall be required to pay to the retirement system any accumulated member

contributions that were withdrawn from the retirement system, if any, and shall pay all member and employer contributions for the time that the person did not participate in the retirement system plus a rate of interest equal to the plan's assumed rate of return for the service purchased, as determined by the fund actuary.

Section 2. If any section, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, that holding shall in no way affect the validity of the remaining portions of this Ordinance.

Section 3. All ordinances or parts of ordinances, in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 4. This Ordinance shall be effective on adoption.

AUTHENTICATED THIS _____ DAY OF _____, 2014.

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William C. Latham, MAYOR

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Judy L. Bullock, CITY CLERK