

ORDINANCE NO. 16-1652

**AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 2 OF THE CODE OF THE TOWN OF SURFSIDE REGARDING THE RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF SURFSIDE; AMENDING SECTION 2-171 OF THE TOWN CODE TO CREATE A DEFINITION OF THE TERM SENIOR MANAGEMENT EMPLOYEE; AMENDING SECTION 2-176(a)(4) OF THE TOWN CODE TO PROVIDE FOR SEVEN YEAR VESTING FOR THE TOWN ATTORNEY; AMENDING SECTION 2-176(c)(1) OF THE TOWN CODE TO INCREASE THE BENEFIT ACCRUAL RATE FOR GENERAL EMPLOYEES AND INCREASING THE BENEFIT CAP FROM 60% TO 68% OF FINAL AVERAGE COMPENSATION; AMENDING SECTION 2-176(c)(1) OF THE TOWN CODE TO INCREASE THE BENEFIT ACCRUAL RATE FOR SENIOR MANAGEMENT EMPLOYEES AND INCREASING THE BENEFIT CAP FROM 60% TO 80% OF FINAL AVERAGE COMPENSATION; AMENDING SECTION 2-180(a) OF THE TOWN CODE TO INCREASE IN THE GENERAL EMPLOYEE AND SENIOR MANAGEMENT EMPLOYEE PICK-UP PENSION CONTRIBUTION BY 2%; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR CONFLICTS AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Surfside sponsors a defined benefit retirement plan for employees of the Town of Surfside ("Retirement Plan"); and

**WHEREAS**, the Board of Trustees of the Retirement Plan has recommended increasing the employee contribution to purchase a higher pension benefit; and

**WHEREAS**, general employees currently contribute either 5% or 6% of pensionable earnings; and

**WHEREAS** the actuary for the Board of Trustees has determined that increasing the general employee member contribution from 6% to 8% would provide a 2.8% multiplier. For the employee contributing at the 5% rate, increasing the employee member contribution to 7% would provide a 2.65% multiplier; and

**WHEREAS**, the Retirement Plan does not currently contain a higher tier benefit for Senior Management Employees; and

**WHEREAS**, the Board of Trustees has recommended increasing the multiplier and benefit cap for Senior Management Employee; and

**WHEREAS**, the actuary for the Board of Trustees has determined the financial effect of increasing the Senior Management Employee contribution from 6% to 8% and the multiplier from 2.5% to 3%; and

**WHEREAS**, the current Town Code provides for the Town Manager to be deemed fully vested at the attainment of age 64 and the completion of 7 years of creditable service; and

**WHEREAS**, the Retirement Plan does not currently contain a similar benefit for the Town Attorney; and

**WHEREAS**, the Board of Trustees has recommended providing the Town Attorney to be deemed fully vested at the attainment of age 64 and the completion of 7 years of credited service; and

**WHEREAS**, the Town Commission held its first public hearing on September 13, 2016 having complied with the notice requirements required by Florida Statutes; and

**WHEREAS**, the Town Commission conducted a second duly noticed public hearing on these regulations as required by law on October 13, 2016; and

**WHEREAS**, the Town Commission finds the proposed amendments to the Code in the best interest of the Town.

**NOW THEREFORE, IT IS HEREBY ORDAINED BY THE TOWN COMMISSION OF SURFSIDE TOWN, FLORIDA; AS FOLLOWS:**

**Section 1. Recitals.** That the above stated recitals are hereby adopted and confirmed.

**Section 2. Town Code Amended.** SECTION 2-171, Definitions, is hereby amended and to be read as follows:

**Sec. 2-171. Definitions.**

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

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**Senior Management Employee:** For purposes of the new Senior Management Tier benefit, **Senior Management Employee means the Town Manager, Town Attorney, Town Clerk, Building and Zoning Department Director, Code Compliance Director, Finance Director, Human**

Resources Director, Parks and Recreation Director, Public Works Director, Tourism, Economic Development and Community Services Director.

**Section 3.** SECTION 2-176, Service Retirement Allowance, is hereby amended and to be read as follows:

**Sec. 2-176. Service Retirement Allowance.**

(a) *Normal Retirement date.* Each member who retires or otherwise terminates employment with the town on or after his normal retirement date, as determined below, shall be entitled to receive a service retirement annuity in the amount provided in subsection (c) of this section. Effective October 1, 1984, the normal retirement date for each member shall be the first day of the month coincident with or next following the earlier of:

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(4) For the Town Attorney:

a. The attainment of age 62 and the completion of 15 years of creditable service; or

b. The attainment of age 64 and the completion of seven years of creditable service who shall be deemed fully vested upon the completion of seven years of creditable service.

(c) *Computation of annuity.*

(1) For members who are not police officers, the amount of monthly retirement annuity with respect to all creditable service rendered by each member prior to October 1, 1979, shall be equal to  $12/3$  percent of the monthly average final compensation multiplied by the number of years of creditable service rendered prior to October 1, 1979. For each employee who contributes at the rate of five percent of earnable compensation on and after January 1, 1980, the amount of monthly retirement annuity with respect to creditable service rendered after September 30, 1979, shall be equal to  $12/3$  percent of the monthly average final compensation multiplied by the number of years of creditable service rendered after September 30, 1979. For each employee who contributes at the rate of seven percent of earnable compensation on and after January 1, 1980, the amount of monthly retirement annuity with respect to creditable service rendered after September 30, 1979, shall be equal to two percent of the monthly average final compensation multiplied by the number of years of creditable service rendered after September 30, 1979. For each member who contributes at the rate of eight percent of earnable compensation after June 30, 1996, the amount of monthly retirement annuity with respect to creditable service rendered after June 30, 1996, shall be equal to two and one-half percent of monthly average final compensation multiplied by the number of years of creditable service rendered after June 30, 1996. For each

member who elects as of July 1, 1996 to increase his contribution from five percent to seven percent of earnable compensation, the amount of retirement annuity with respect to creditable service rendered after June 30, 1996, shall be equal to two percent of monthly average final compensation multiplied by the number of years of creditable service rendered after June 30, 1996. For each member who elects as of July 1, 1996 to increase his contribution rate to seven percent or eight percent of earnable compensation, the amount of retirement annuity with respect to creditable service rendered after September 30, 1979 but before July 1, 1996 shall be equal to one and two-thirds percent, if prior to July 1, 1996 he had been contributing at the rate of five percent, or two percent, if prior to July 1, 1996 he had been contributing at the rate of seven percent, of monthly average final compensation multiplied by the number of years of creditable service rendered after September 30, 1979 but prior to July 1, 1996. The foregoing election periods shall expire on July 31, 1996 and may not be extended for any reason. For each member who contributes at the rate of five percent of earnable compensation on and after February 1, 2003, the amount of monthly retirement annuity with respect to creditable service rendered on and after February 1, 2003 shall be equal to two percent of the monthly average final compensation multiplied by the number of years of creditable service rendered on and after February 1, 2003. For each member who contributes at the rate of six percent of earnable compensation on and after February 1, 2003, the amount of monthly retirement annuity with respect to creditable service rendered on and after February 1, 2003 shall be equal to two and one-half percent of the monthly average final compensation multiplied by the number of years of creditable service rendered on and after February 1, 2003. In no event shall the total annuity as computed above for any member exceed 60 percent of the monthly average final compensation.

For members who are not police officers or Senior Management employees, effective October 1, 2016:

(i) for each member who contributes at the rate of eight percent (8%) of earnable compensation, the amount of monthly retirement annuity with respect to creditable service rendered on and after October 1, 2016 shall be equal to two and eight-tenths percent (2.8%) of monthly average final compensation multiplied by the number of years of creditable service rendered on and after October 1, 2016;

(ii) for the member who contributes at the rate of seven percent (7%) of earnable compensation, the amount of monthly retirement annuity with respect to creditable service rendered on and after October 1, 2016 shall be equal to two and sixty-five one hundredths percent (2.65%) of monthly average final compensation multiplied by the number of years of creditable service rendered on and after October 1, 2016; and

(iii) in no event shall the total annuity as computed above for any member exceed sixty-eight percent (68%) of monthly average final compensation.

For members who are Senior Management employees, effective October 1, 2016:

(i) the amount of monthly retirement annuity with respect to creditable service rendered on and after October 1, 2016 shall be equal to three percent (3%) of monthly average final compensation multiplied by the number of years of creditable service rendered on and after October 1, 2016; and

(ii) in no event shall the total annuity as computed above for any Senior Management employee exceed eighty percent (80%) of monthly average final compensation.

**Section 4.** SECTION 2-180, Contributions by Members, is hereby amended and to be

read as follows:

~~(a) For members who are not police officers, beginning on the date of establishment of the plan, each town employee who is a member of the plan shall contribute five percent of earnable compensation, based on his regular salary, accruing on and after such date and up to September 30, 1979. Each member of the plan on October 1, 1979, and each employee who becomes a member after October 1, 1979, shall have the irrevocable option of contributing either five percent or seven percent of his earnable compensation from January 1, 1980. Each member of the plan as of July 1, 1996, shall have the one-time irrevocable option of raising his contribution rate from five percent to either seven percent or eight percent of earnable compensation, or from seven percent to eight percent of earnable compensation. For each member who elects as of July 1, 1996 to increase his contribution from five percent to seven percent of earnable compensation, the amount of retirement annuity with respect to creditable service rendered after June 30, 1996, shall be equal to two percent of monthly average final compensation multiplied by the number of years of creditable service rendered after June 30, 1996. For each member who elects as of July 1, 1996 to increase his contribution rate to seven percent or eight percent of earnable compensation, the amount of retirement annuity with respect to creditable service rendered after September 30, 1979 but before July 1, 1996 shall be equal to one and two-thirds percent, if prior to July 1, 1996 he had been contributing at the rate of five percent, or two percent, if prior to July 1, 1996 he had been contributing at the rate of seven percent, of monthly average final compensation multiplied by the number of years of creditable service rendered after September 30, 1979 but prior to July 1, 1996. The foregoing election periods shall expire on July 31, 1996 and may not be extended for any reason. Each employee who becomes a member of the plan after July 1, 1996 shall thereupon have the one-time irrevocable option of contributing either five percent or eight percent of earnable compensation. Each member of the plan as of February 1, 2003 who is contributing at the rate of five percent of earnable compensation shall have the one-time irrevocable option of raising his contribution rate from five percent to six percent. For each member who contributes at the rate of seven or eight percent of earnable compensation on January 31, 2003, the contribution~~

~~rate shall be six percent of earnable compensation on and after February 1, 2003. Each employee who becomes a member on or after February 1, 2003 shall contribute six percent of earnable compensation. Such contribution by any member shall cease upon the completion of the number of years of creditable service, sufficient to produce an annuity of 60 percent of average final compensation.~~ For members who are not police officers or Senior Management Employees, effective October 1, 2016:

- (i) The employee contribution for employees contributing six percent (6%) of earnable compensation shall be increased to eight percent (8%) of earnable compensation;
- (ii) The employee contribution for the employee contributing five percent (5%) of earnable compensation shall be increased to seven percent (7%) of earnable compensation;
- (iii) Employee contributions by any member shall cease upon the completion of the number of years of creditable service, sufficient to produce an annuity of sixty-eight percent (68%) of average final compensation.

For members who are Senior Management Employees, effective October 1, 2016:

- (i) The employee contribution shall be increased to eight percent (8%) of earnable compensation;
- (ii) Employee contributions by any Senior Management member shall cease upon the completion of the number of years of creditable service, sufficient to produce an annuity of eighty percent (80%) of average final compensation.

**Section 5.** All sections or parts of sections of the Town Code, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith, be and the same, are hereby repealed to the extent of such conflict.

**Section 6.** Should this ordinance or any part thereof be declared invalid by a Court of competent jurisdiction, the invalidity of any part of this ordinance shall not otherwise affect the validity of the remaining provisions of this ordinance, which shall be deemed to have been enacted without the invalid provision.

**Section 7.** It is the intention of the Commission of the Town of Surfside that the provisions of this ordinance shall become and be made a part of the Code of the Town of Surfside, and that the word "ordinance" may be changed to "section," "article," or such other appropriate word or phrase in order to accomplish such intentions.

**Section 8.** This ordinance shall become effective upon final passage.

**PASSED and ADOPTED** on second reading this 13<sup>th</sup> day of October 2016.

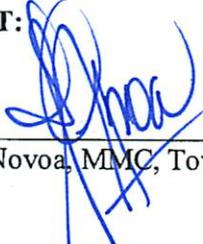
On Final Reading Moved by: Commissioner Paul

On Final Reading Second by: Commissioner Karukin

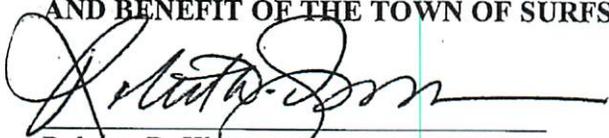
**FINAL VOTE ON ADOPTION:**

Commissioner Daniel Gielchinsky	<u>yes</u>
Commissioner Michael Karukin	<u>yes</u>
Commissioner Tina Paul	<u>yes</u>
Vice Mayor Barry Cohen	<u>yes</u>
Mayor Daniel Dietch	<u>yes</u>

  
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Daniel Dietch, Mayor

**ATTEST:**   
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Sandra Novoa, MMC, Town Clerk

**APPROVED AS TO FORM AND LEGALITY FOR THE USE AND BENEFIT OF THE TOWN OF SURFSIDE ONLY:**

  
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Robert D. Klausner, Esq.  
General Counsel  
The Retirement Plan for Employees of the Town of Surfside