

ORDINANCE NO. 1286

AN ORDINANCE OF THE CITY OF OKEECHOBEE, FLORIDA, PROVIDING FOR THE MERGER OF THE CITY OF OKEECHOBEE MUNICIPAL POLICE OFFICERS' PENSION TRUST FUND, CREATED PURSUANT TO ORDINANCE NO. 888 AS SUBSEQUENTLY AMENDED, AND THE CITY OF OKEECHOBEE MUNICIPAL FIREFIGHTERS' PENSION FUND, CREATED PURSUANT TO ORDINANCE NO. 889 AND AMENDED AND RESTATED PURSUANT TO ORDINANCE NO. 1229; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Okeechobee established and maintains the City of Okeechobee Municipal Police Officers' Pension Trust Fund, created pursuant to Ordinance No. 888, as subsequently amended; and

WHEREAS, the City of Okeechobee established and maintains the City of Okeechobee Municipal Firefighters' Pension Fund, created pursuant to Ordinance No. 889 and amended and restated pursuant to Ordinance No. 1229; and

WHEREAS, to optimize the efficiency of, and minimize the costs related to, the administration of the above-referenced Funds, the City Council desires to merge the Funds into a single Fund under the exclusive administration of a single board of trustees; and

WHEREAS, the resulting Fund shall exist for the sole purpose of providing retirement benefits to the participants of the merged Funds, to their eligible beneficiaries, and to the future participants and beneficiaries of the resulting Fund; and

WHEREAS, the merger of the Funds shall not result in the reduction of any accrued benefit of any participant of the merged Funds; and

WHEREAS, the City Council intends that the resulting Fund be administered in accordance with all applicable provisions of the Internal Revenue Code and of Florida Law, including but not limited to Chapters 175 and 185, Florida Statutes, and

WHEREAS, for the purposes of this Ordinance, double underlined type shall denote additions to and ~~strike through~~ shall denote deletions from the original text.

NOW, THEREFORE, be it ordained before the City Council of the City of Okeechobee, Florida; presented at a duly advertised public meeting; and passed by majority vote of the City Council; and properly executed by the Mayor or designee, as Chief Presiding Officer for the City:

SECTION 1: The foregoing "whereas" clauses are incorporated herein as legislative findings by this reference and made a part hereof for all intents and purposes.

SECTION 2: That Ordinance No. 888, as subsequently amended, is hereby further amended by amending subsection 1., of Section 1., Definitions, of the document made part of said Ordinance and otherwise amended herein, to modify the definitions of "Board," "Fund," and "System" and to add a definition, "Merger Date," to read respectively as follows:

SECTION 1. DEFINITIONS.

1. As used herein, unless otherwise defined or required by the context, the following words and phrases shall have the meaning indicated:

Board means the Board of Trustees, which shall administer and manage the System herein provided and serve as the Trustees of the Fund, as provided in Section 3 hereof.

Fund means the Trust Fund established herein as part of the System. Effective as of the Merger Date, Fund shall mean the Fund resulting from the merger, as provided in subsection 1., of Section 4., hereof.

Merger Date means the date determined in accordance with subsection 6., of Section 3., hereof.

System means the City of Okeechobee Municipal Police Officers' Pension Trust Fund as contained herein and all amendments thereto. Effective as of the Merger Date, System means City of Okeechobee Municipal Police Officers' and Firefighters' Pension Trust Fund, as contained herein and all amendments hereto, and as contained in Ordinance No. 1229 and all amendments thereto.

SECTION 3: That Ordinance No. 888, as subsequently amended, is hereby further amended by amending Section 3., Board of Trustees, of the document made part of said Ordinance and otherwise amended herein, to replace subsection 3., to read as follows:

SECTION 3. BOARD OF TRUSTEES.

3. Quorum and Voting. A quorum shall consist of no fewer than three (3) Trustees. Each Trustee shall be entitled to one (1) vote on the Board. Three (3) affirmative votes shall be necessary for any decision by the Trustees at any meeting of the Board. A Trustee shall abstain from voting as the result of a conflict of interest and shall comply with the provisions of Section 112.3143, Florida Statutes, as amended from time to time.

SECTION 4: That Ordinance No. 888, as subsequently amended, is hereby further amended by amending Section 3., Board of Trustees. of the document made part of said Ordinance and otherwise amended herein, to add a new subsection 6., to read as follows:

SECTION 3. BOARD OF TRUSTEES.

6. Merger Provisions
- A. As soon as administratively reasonable upon the Effective Date of the Ordinance adopting this paragraph 6.A., the responsible parties shall appoint and elect prospective Trustees (excluding the sixth Trustee) in accordance with the conditions set forth in paragraph 6.B., below, who shall agree in writing to assume the duties of Trustees as set forth herein as of a specified date. That date shall be the same for all five prospective Trustees and shall constitute the Merger Date.
- B. As of the Merger Date, this paragraph 6.B., shall supersede subsection 1., of this Section 3. The sole and exclusive administration of and responsibility for the proper operation of the System and for making effective the provisions of this Ordinance is hereby vested in a Board of Trustees. The Board is hereby designated as the Plan Administrator. The Board shall consist of six (6)

Trustees, two (2) of whom, unless otherwise prohibited by law, shall be legal residents of the City, who shall be appointed by the City Council, two (2) of whom shall be a full-time Police Officer Member of the System who shall be elected by a majority of the active Police Officers who are Members of the System, one (1) of whom shall be a former full-time Firefighter Member of the System, who shall be elected by a majority of the former Firefighters who were Members of the System, and one (1) of whom shall be chosen by a majority of the five (5) other Trustees as provided for herein, and such person's name shall be submitted to the City Council.

Upon receipt of the sixth Trustee's name, the City Council shall, as a ministerial duty, appoint such person to the Board of Trustees as its sixth Trustee. The sixth Trustee shall have the same rights as each of the other five (5) Trustees.

If there is no former or retired Firefighter remaining in the System, or willing to serve, the former and retired Firefighters may elect an active or retired Police Officer to serve in the active Firefighter seat. Upon receipt of such person's name, the City Council shall, as a ministerial duty, appoint such person to the Board.

When there are fewer than ten (10) former or retired Firefighters remaining in the System, or in the case where no former or retired Firefighter is available to serve on the Board and the active or retired Police Officer who is then serving in the active Firefighter seat either leaves the employment of the City as a Police Officer or otherwise vacates his or her office as Trustee, the active Firefighter seat shall cease to exist, and the Board shall thereafter consist of five (5) Trustees, two (2) of whom, unless otherwise prohibited by law, shall be legal residents of the City who shall be appointed by the City Council, two (2) of whom shall be full-time Police Officer Members of the System who shall be elected by a majority of the active Police Officers who are Members of the System, and one (1) of whom shall be chosen by a majority of the four (4) remaining Trustees as herein provided and shall serve a four (4) year term unless he or she sooner vacates the office. Each resident Trustee shall serve as Trustee for a period of four (4) years unless he or she sooner vacates the office or is sooner replaced by the City Council at whose pleasure he or she shall serve. Each Member Trustee shall serve as Trustee for a period of four (4) years, unless he or she sooner leaves the employment of the City as a Police Officer or otherwise vacates his or her office as Trustee, whereupon a successor shall be chosen in the same manner as the departing Trustee. Except in the case that there are fewer than ten (10) former or retired Firefighters remaining and the active or retired Police Officer who is then serving in the active Firefighter seat either leaves the employment of the City as a Police Officer or otherwise vacates his or her office as Trustee, each Trustee may succeed himself or herself in office. Police Deferred Retirement Option Plan (DROP) participants can be elected as but not vote for the elected Police Trustee. The Board shall establish and administer the nominating and election procedures for each election or delegate this task to the City if the City is so willing. The Board shall meet at least quarterly each year. The Board shall be a legal entity with, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature, and description.

- C. Effective as of the Merger Date, all references herein, except for historic references, to the City of Okeechobee Municipal Police Officers' Pension Trust Fund, shall be read as the City of Okeechobee Municipal Police Officers' and Firefighters' Pension Trust Fund.
- D. Effective as of the Merger Date, it is intended that the Board of Trustees possess identical powers with respect to the operation and administration, including the investment of System assets, of the System as it relates to Police Officers and Firefighters and assets derived from the participation of Police Officers and Firefighters, including premium tax funds under Chapters 175 and 185. It is further intended that, effective as of the Merger Date, this document shall apply to all questions relating to the participation, accrual of benefits,

vesting, benefit eligibility, retirement, etc. of Police Officer Members in the System.

SECTION 5: That Ordinance No. 888, as subsequently amended, is hereby further amended by amending subsection 1., of Section 4., Finances and Fund Management, of the document made part of said Ordinance and otherwise amended herein, to read as follows:

SECTION 4. FINANCES AND FUND MANAGEMENT.

Establishment and Operation of Fund.

1. As part of the System, there exists the Fund, into which shall be deposited all of the contributions and assets whatsoever attributable to the System. Effective as of the Merger Date, the Fund is hereby merged with the Fund known as the City of Okeechobee Municipal Firefighters' Pension Fund, created as set forth in Section 4.1 of the document made part of Ordinance No. 1229. The Fund, which shall thereafter mean the Fund resulting from the merger, shall be known as City of Okeechobee Municipal Police Officers' and Firefighters' Pension Trust Fund.

SECTION 6: That Ordinance No. 1229, as subsequently amended, is hereby further amended by amending subsection 1., of Section 1., Definitions, of the document made part of said Ordinance and otherwise amended herein, to modify the definitions of "Board," "Fund," and "System" and to add a definition, "Merger Date," to read respectively as follows:

SECTION 1. DEFINITIONS.

1. As used herein, unless otherwise defined or required by the context, the following words and phrases shall have the meaning indicated:

Board means the Board of Trustees, which shall administer and manage the System herein provided and serve as the trustees of the Fund, as provided in Section 3 hereof.

Fund means the trust Fund established herein as part of the System. Effective as of the Merger Date, Fund shall mean the Fund resulting from the merger, as provided in subsection 1., of Section 4., hereof.

Merger Date means the date determined in accordance with subsection 6., of Section 3., hereof.

System means the City of Okeechobee Municipal Firefighters' Pension Fund as contained herein and all amendments thereto. Effective as of the Merger Date, System means City of Okeechobee Municipal Police Officers' and Firefighters' Pension Trust Fund, as contained herein and all amendments hereto, and as contained in Ordinance No. 888 and all amendments thereto.

SECTION 7: That Ordinance No. 1229, as subsequently amended, is hereby further amended by amending subsection 3., of Section 3., Board of Trustees, of the document made part of said Ordinance and otherwise amended herein, to replace subsection 3., to read as follows:

SECTION 3. BOARD OF TRUSTEES.

3. Quorum and Voting. A quorum shall consist of no fewer than three (3) Trustees. Each Trustee shall be entitled to one (1) vote on the Board. Three (3) affirmative votes shall be necessary for any decision by the Trustees at any meeting of the Board. A Trustee shall abstain from voting as the result of a conflict of interest and shall comply with the provisions of Section 112.3143, Florida Statutes, as amended from time to time.

SECTION 8: That Ordinance No. 1229, as subsequently amended, is hereby further amended by amending Section 3., Board of Trustees, of the document made part of said Ordinance and otherwise amended herein, to add a new subsection 6., to read as follows:

SECTION 3. BOARD OF TRUSTEES.

6. Merger Provisions

A. As soon as administratively reasonable upon the effective date of the Ordinance adopting this paragraph 6.A., the responsible parties shall appoint and elect prospective Trustees (excluding the sixth Trustee) in accordance with the conditions set forth in paragraph 6.B., below, who shall agree in writing to assume the duties of Trustees as set forth herein as of a specified date. That date shall be the same for all five prospective Trustees, and shall constitute the Merger Date.

B. As of the Merger Date, this paragraph 6.B., shall supersede subsection 1., of this Section 3. The sole and exclusive administration of and responsibility for the proper operation of the System and for making effective the provisions of this Ordinance is hereby vested in a Board of Trustees. The Board is hereby designated as the Plan Administrator. The Board shall consist of six (6) Trustees, two (2) of whom, unless otherwise prohibited by law, shall be legal residents of the City, who shall be appointed by the City Council, two (2) of whom shall be full-time Police Officer Members of the System who shall be elected by a majority of the active Police Officers who are Members of the System, one (1) of whom shall be a former full-time Firefighter Member of the System who shall be elected by a majority of the former Firefighters who were Members of the System, and one (1) of whom shall be chosen by a majority of the five (5) other Trustees as provided for herein, and such person's name shall be submitted to the City Council.

Upon receipt of the sixth Trustee's name, the City Council shall, as a ministerial duty, appoint such person to the Board of Trustees as its sixth Trustee. The sixth Trustee shall have the same rights as each of the other five (5) Trustees.

If there is no former or retired Firefighter remaining in the System, or willing to serve, the former and retired Firefighters may elect an active or retired Police Officer to serve in the active Firefighter seat. Upon receipt of such person's name, the City Council shall, as a ministerial duty, appoint such person to the Board.

When there are fewer than ten (10) former or retired Firefighters remaining in the System, or in the case where no former or retired Firefighter is available to serve on the Board and the active or retired Police Officer who is then serving in the active Firefighter seat either leaves the employment of the City as a Police Officer or otherwise vacates his or her office as Trustee, the active Firefighter seat shall cease to exist, and the Board shall thereafter consist of five (5) Trustees, two (2) of whom, unless otherwise prohibited by law, shall be legal

residents of the City who shall be appointed by the City Council, two (2) of whom shall be full-time Police Officer Members of the System who shall be elected by a majority of the active Police Officers who are Members of the System, and one (1) of whom shall be chosen by a majority of the four (4) remaining Trustees as herein provided and shall serve a four (4) year term unless he or she sooner vacates the office. Each resident Trustee shall serve as Trustee for a period of four (4) years unless he or she sooner vacates the office or is sooner replaced by the City Council at whose pleasure he or she shall serve. Each Member Trustee shall serve as Trustee for a period of four (4) years, unless he or she sooner leaves the employment of the City as a Police Officer or otherwise vacates his or her office as Trustee, whereupon a successor shall be chosen in the same manner as the departing Trustee. Except in the case that there are fewer than ten (10) former or retired Firefighters remaining and the active or retired Police Officer who is then serving in the active Firefighter seat either leaves the employment of the City as a Police Officer or otherwise vacates his or her office as Trustee, each Trustee may succeed himself or herself in office. Police DROP participants can be elected as but not vote for the elected Police Trustee. The Board shall establish and administer the nominating and election procedures for each election or delegate this task to the City if the city is so willing. The Board shall meet at least quarterly each year. The Board shall be a legal entity with, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature, and description.

C. Effective as of the Merger Date, all references herein, except for historic references, to City of Okeechobee Municipal Firefighters' Pension Fund, shall be read as City of Okeechobee Municipal Police Officers' and Firefighters' Pension Trust Fund.

D. Effective as of the Merger Date, it is intended that the Board of Trustees possess identical powers with respect to the operation and administration, including the investment of System assets, of the System as it relates to Police Officers and Firefighters and assets derived from the participation of Police Officers and Firefighters, including premium tax funds under Chapters 175 and 185. It is further intended that, effective as of the Merger Date, this document shall apply to all questions relating to the participation, accrual of benefits, vesting, benefit eligibility, retirement, etc. of Firefighter Members in the System.

SECTION 9: That Ordinance No. 1229, as subsequently amended, is hereby further amended by amending subsection 1., of Section 4., Finances and Fund Management, of the document made part of said Ordinance and otherwise amended herein, to read as follows:

SECTION 4. FINANCES AND FUND MANAGEMENT.

Establishment and Operation of Fund.

1. As part of the System, there exists the Fund, into which shall be deposited all of the contributions and assets whatsoever attributable to the System. Effective as of the Merger Date, the Fund is hereby merged with the Fund known as the City of Okeechobee Municipal Police Officers' Pension Trust Fund, created as set forth in Section 4.1 of the document made part of Ordinance 888. The Fund, which shall thereafter mean the Fund resulting from the merger, shall be known as City of Okeechobee Municipal Police Officers' and Firefighters' Pension Trust Fund.

SECTION 10: That Ordinance No. 1229, as subsequently amended, is hereby further amended by amending Section 6., Benefit Amounts and Eligibility, of the document made part of said Ordinance and otherwise amended herein, to add a new subsection 7., to read as follows:

SECTION 6. BENEFIT AMOUNTS AND ELIGIBILITY.

7. Retired Firefighter Medical Stipend.

A Reserve shall be established by to pay a Medical Stipend to retired Firefighter members as set forth in this subsection 7., with an initial dollar amount to bring the funded ratio for the Firefighter assets and liabilities to 100 percent based on current actuarial assumptions. If the actuary certifies that the funded ratio of the Pension Fund based on the Firefighter assets and liabilities excluding the Reserve for the preceding Plan Year exceeds 100 percent in subsequent years, the Board will transfer an additional dollar amount to the Reserve to bring the funded ratio to 100 percent. If the actuary certifies that the funded ratio of the Pension Fund based on the Firefighter assets and liabilities for the preceding Plan Year excluding the Reserve is less than 95 percent, the Board will transfer the dollar amount from the Reserve to the Pension Fund needed to increase the funded ratio to 95 percent. The assets of the Reserve to pay the Medical Stipend shall remain invested with the Pension Fund assets and receive a pro-rata share of the investment results net of investment and administrative expenses. The Board must provide written notice to the Finance Director of the City of Okeechobee of any change in actuarial investment and economic assumptions affecting the actuarial calculation of the funded ratio for the Firefighter assets and liabilities, identifying the specific changes to the assumptions.

A Medical Stipend shall be paid in equal monthly installments from the Reserve to Firefighter members receiving pension benefit payments as of October 1 each Plan Year. Payment of the Medical Stipend shall commence on the first day of the month following the otherwise normal retirement date for each retired member receiving a pension benefit payment. Starting with the Plan Year that begins October 1, 2023, eligible retired Firefighter members will receive an initial Medical Stipend based on the retiree's years of Credited Service, as follows:

<u>Years of Credited Service</u>	<u>Monthly Stipend</u>
<u>20 + Years</u>	<u>\$1,000</u>
<u>17.5 – 20</u>	<u>\$850</u>
<u>15 – 17.5</u>	<u>\$700</u>
<u>12.5 – 15</u>	<u>\$550</u>
<u>10 – 12.5</u>	<u>\$400</u>

The Board will adjust the Monthly Stipend pro-rata to eligible members for the next Plan Year based on the balance remaining in the Reserve as of October 1 each Plan Year. The Fund will not pay a stipend at any time the Reserve balance is zero. If the Pension Fund has no retired Firefighter members, any funds remaining in the Reserve shall be returned to the Pension Fund.

SECTION 11: That specific authority is hereby granted to codify and incorporate this Ordinance in the existing City of Okeechobee Municipal Police Officers' Pension Trust Fund Summary Plan Description and the City of Okeechobee Municipal Firefighters' Pension Fund Summary Plan Description.

SECTION 12: That all Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

SECTION 13: That if any section, subsection sentence, clause, phrase of this Ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining sections, subsections, sentences,


clauses, or phrases under application shall not be affected thereby.

SECTION 14: That the language of this Ordinance shall be adopted as part of the corresponding Pension Plan immediately, and the provisions of this Ordinance shall become effective immediately upon the Merger Date as defined in Sections 4 and 8, herein.

INTRODUCED for First Reading and set for Final Public Hearing on this 6th day of February 2024.
Roll Call Vote:

	Yes	No	Abstained	Absent
Council Member Chandler:	X			
Council Member/Vice Mayor Clark:	X			
Council Member Jarriel:	X			
Council Member McAuley:				X
Mayor Watford:	X			



Dowling R. Watford, Jr., Mayor

ATTEST:

Lane Gamiotea, CMC, City Clerk

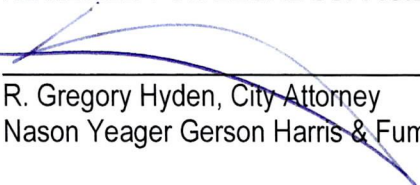
PASSED AND ADOPTED after Second and Final Public Hearing this 5th day of March 2024. Roll
Call Vote:

	Yes	No	Abstained	Absent
Council Member Chandler:	X			
Council Member/Vice Mayor Clark:	X			
Council Member Jarriel:	X			
Council Member McAuley:	X			
Mayor Watford:	X			


Dowling R. Watford, Jr., Mayor

ATTEST:

Lane Gamiotea, CMC, City Clerk

REVIEWED FOR LEGAL SUFFICIENCY:


R. Gregory Hyden, City Attorney
Nason Yeager Gerson Harris & Fumero, P.A.