

ORDINANCE NO. 2009-3626

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, IMPLEMENTING A DEFERRED RETIREMENT OPTION PLAN FOR MEMBERS OF THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN CREATED BY ORDINANCE 2006-3504, AS SUBSEQUENTLY AMENDED; CREATING A NEW SECTION 2.26, PROVIDING A DEFINITION OF DEFERRED RETIREMENT OPTION PLAN; CREATING A NEW SECTION 5.13, ESTABLISHING THE DEFERRED RETIREMENT OPTION PLAN AND SETTING FORTH THE FEATURES OF THE PLAN; PROVIDING FOR SEVERABILITY; REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA:

Section 1. A new Section 2.26 of the Miami Beach Employees' Retirement Plan created by Ordinance 2006-3504, as subsequently amended, is created to read:

2.26 Deferred Retirement Option Plan (DROP) – A program under which a Member who has reached the normal retirement date may elect to retire for purposes of the Plan but continue employment with the City for up to thirty-six (36) months, and have his/her monthly retirement benefit paid into a DROP account during the DROP period, in accordance with Section 5.13.

Section 2. A new Section 5.13 of the Miami Beach Employees' Retirement Plan created by Ordinance 2006-3504, as subsequently amended, is created to read:

5.13 A deferred retirement option plan ("DROP") is hereby established for eligible Members, as follows:

(a) Eligibility and participation:

1. A Member who attains the normal retirement date shall be eligible to participate in the DROP.
2. A Member's election to participate in the DROP shall be irrevocable. A Member may participate in the DROP only once.
3. An eligible Member may participate in the DROP for a maximum of thirty-six (36) months.

4. An eligible Member who elects to participate in the DROP must provide at least thirty (30) days' advance written notice to the City of his or her election to participate in the DROP. A Member who elects to participate in the DROP may elect to terminate DROP participation and City employment sooner than the maximum DROP period, with thirty (30) days' advance written notice to the City.

(b) DROP plan features:

1. An eligible Member who elects to participate in the DROP will be considered to have retired for purposes of the Plan upon entry into the DROP, except that such Member shall be eligible to vote for and serve as an Employee member of the Board of Trustees during the DROP participation period. The Member's monthly retirement benefit, determined in accordance with the Plan based on years of creditable service and final average monthly earnings at the time the Member enters the DROP, will be paid into the Member's DROP account every month during the DROP period.
2. No Member contributions shall be required after a Member enters the DROP, and the Member will not accrue any additional creditable service or any additional benefits under the Plan after entering the DROP. No City normal cost contributions shall be required after a Member enters the DROP, and DROP participants shall be excluded from the covered payroll for the Plan.
3. A Member who elects to participate in the DROP shall not be eligible for disability or preretirement death benefits under the Plan; nor shall a Member be eligible for any post retirement adjustment provided in Section 5.10 during the DROP participation period.
4. A Member who elects to participate in the DROP shall retain the earned balance of annual and sick leave as of the date of entry into the DROP, and shall continue to earn annual and sick leave during the DROP period, in accordance with applicable City ordinances. Alternatively, at the time of entry into the DROP, a Member may request full or partial payment of the earned balance of annual and sick leave as of the date of entry into the DROP, up to the maximum allowed by applicable City ordinances for employees who

terminate City employment, but reduced by the amount of annual and sick leave used for the purchase of additional credited service under section 4.03, if any, at the Member's rate of compensation upon entering the DROP; provided that the Member must retain at least 120 hours of accrued sick leave after any such payment. Upon termination of City employment, a Member who has participated in the DROP shall be eligible to receive payment for the earned balance of annual and sick leave as of the date of termination, up to the maximum allowed by applicable City ordinances for employees who terminate City employment, but reduced by the amount of annual and sick leave for which payment was received upon entry into the DROP, if any; and further reduced by the amount of annual and sick leave used for the purchase of additional credited service under section 4.03, if any. In no event shall payments for accrued annual or sick leave be included in a member's Earnings for purposes of the Plan.

5. As a condition of participating in the DROP, the Member must agree to terminate City employment at the conclusion of the DROP period, and to submit an irrevocable letter of resignation stating this prior to entering the DROP. A Member who elects to participate in the DROP must also submit an irrevocable written DROP election prior to entering the DROP on a form provided by the Board.
6. At the conclusion of the DROP period and upon termination of City employment, the Member's monthly retirement benefit shall be paid to the Member in accordance with the Plan. In the event of the Member's death during or at the conclusion of the DROP period, a benefit may be payable in accordance with Section 5.07
8. Participation in the DROP is not a guarantee of City employment, and DROP participants will be subject to the same terms and conditions of employment that are applicable to employees who are not DROP participants.
9. During participation in the DROP, the Member's monthly retirement benefit will be paid into the DROP account, and shall be credited/debited with earnings/losses as provided herein. The Member may direct that their DROP account be invested in any of the

investment options approved by the Board, on forms provided by the Board. Any gains on the Member's DROP account investments shall be credited to the Member's DROP account; and any losses incurred by the Member shall be deducted from the Member's DROP account balance, and shall not be made up by the City or the Retirement Plan. A Member's DROP account shall only be credited or debited with earnings/losses while the Member is a participant in the DROP.

10. A DROP participant may designate a beneficiary or beneficiaries for his/her DROP account on a form provided by the Board.

11. Within thirty (30) days following a DROP participant's termination of City employment or death, whichever occurs first, the Member, or in the event of the Member's death the Member's designated beneficiary, may submit a written election on a form approved by the Board, to receive the Member's entire DROP account balance, which shall be distributed to the Member (or in the event of the Member's death, to the Member's designated beneficiary or estate in accordance with paragraph (b)9., below) in a cash lump sum, unless the Member elects to have all or any portion of an eligible rollover distribution paid directly to an IRA or eligible retirement plan specified by the Member in a direct rollover. Any such direct rollover shall be processed in accordance with Article 12 of the Plan. In the event a Member or designated beneficiary does not submit a written election to receive a distribution of the Member's DROP account balance within thirty (30) days following the Member's termination of City employment or death, the Member's DROP account shall be maintained by the Plan but shall not be credited with earnings/losses after thirty (30) days following the Member's termination of City employment or death.

12. If a DROP participant dies before his or her DROP account is distributed, the participant's designated beneficiary shall have the same rights as the participant with respect to the distribution of the DROP account. If the participant has not designated a beneficiary, the DROP account balance shall be paid to the Member's estate.

13. The Board of Trustees shall make such administrative rules as are

necessary for the efficient operation of DROP, but shall not adopt any rule that is inconsistent with this Ordinance or the Plan.

14.The DROP shall be administered so that the Plan remains qualified under the Internal Revenue Service Code and in compliance with applicable laws and regulations.

Section 3. Conflicts and Severability.

(a) All Ordinances, and parts of ordinances, in conflict herewith shall be and the same, are hereby repealed.

(b) In the event any article, section, paragraph, sentence, clause, or phrase of this Ordinance shall be adjudicated invalid or unconstitutional, such adjudication shall in no manner affect the other articles, sections, paragraphs, sentences, clauses or phrases of this Ordinance, which shall be and remain in full force and effect as fully as if the item so adjudged invalid or unconstitutional was not originally a part hereof.

Section 4. Effective Date. This Ordinance shall take effect the 7th day of February 2009.

PASSED and ADOPTED by the City Commission of the City of Miami Beach this 28th day of January, 2009.

Attest:

Robert Parcher
CITY CLERK
Robert Parcher

Matti A. Bower
MAYOR
Matti Herrera Bower

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

Donald P. [Signature] 1/22/09
City Attorney Date