

ORDINANCE NO. 343-87

AN ORDINANCE OF THE TOWN OF GOLDEN BEACH,  
FLORIDA AMENDING THE PENSION PLAN FOR REGULAR  
FULL-TIME EMPLOYEES; CREATING A TRUST FUND AS  
PART OF THE PLAN; PROVIDING FOR AN ORDERLY  
TRANSFER OF FUNDS TO THE FUND; PROVIDING FOR THE  
ESTABLISHMENT OF A BOARD OF TRUSTEES; PROVIDING  
A SAVING CLAUSE; REPEALING ALL ORDINANCES IN  
CONFLICT HERewith; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Golden Beach presently provides pension benefits for  
its employees through Ordinance No. 155; and

WHEREAS, the Town Council is desirous of amending said plan by complete  
restatement as provided in this Ordinance; and

WHEREAS, the new plan is to be known as the Town of Golden Beach  
Employees Pension Plan; and

WHEREAS, the Town Council and administration, and members of the Board of  
Trustees upon extensive examination of the proposed Town of Golden Beach  
Employees Pension Plan are desirous of adopting the proposed plan.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF GOLDEN  
BEACH, FLORIDA, AS FOLLOWS:

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

1. Accrued Benefit means the monthly normal

a lump sum distribution, the actuarial present value shall be determined on the basis of the same mortality rates as just described and the Pension Benefit Guaranty Corporation's interest rates for terminating single employer plans which rates are in effect (a) 90 days prior to the Member's date of termination if distribution is made within six (6) months of such date of termination, or (b) 90 days prior to the distribution date if distribution is made later than six (6) months after the Member's date of termination.

3. Average Monthly Earnings means one-sixtieth (1/60th) of Earnings of Member during the five consecutive years of his employment, within the last ten (10) years of his employment, which is greater than the total during any other five consecutive years during said ten (10) year period; provided that if a Member shall have been employed for fewer than five years, such average shall be taken over the period of his actual employment.

4. Beneficiary means the person or persons entitled to receive benefits hereunder at the death of a Member who has or have been designated in writing by the Member and filed with the Board. If no such designation is in effect at the time of death of the Member, or if no person so designated is living at that time, the Beneficiary shall be the estate of the Member.

5. Board means the Board of Trustees, which shall administer and manage

b. Any service, voluntary or involuntary, in the Armed Forces of the United States, provided the Member is legally entitled to reemployment under the provisions of the Vietnam Era Veteran's Readjustment Act of 1974, and any amendments thereto, or any law applicable to such reemployment, and provided further, that said Member shall apply for employment within three (3) months following termination of such service.

No credit for benefit eligibility or computation purposes under the Plan shall be allowed for any such period of leave of absence as described in a. above. A Member who left the City to perform military service in the Armed Forces of the United States and who is reemployed as provided above shall receive credit for such service if he redeposits any distribution he may have received from the Fund with interest, as determined by the Board.

9. Early Retirement Date means for each Member the first day of the month coincident with or next following the later of:

- a. The completion of ten (10) years of Credited Service, and
- b. The attainment of his fifty-fifth (55th) birthday if a General Employee, or his fiftieth (50th) birthday if a Police Officer.

10. Earnings means a Member's total cash compensation from the City exclusive of any lump sum payments for unused sick or vacation time.

15. Member means an Employee who fulfills the prescribed participation requirements.
16. Normal Retirement Date means for each Member the first day of the month coincident with or next following the attainment of his sixty-fifth (65th) birthday if a General Employee, or his sixtieth (60th) birthday if a Police Officer. A Member may retire on this Normal Retirement Date or on the first day of any month thereafter.
17. Ordinance means this written instrument setting forth the provisions of the Pension Plan.
18. Plan means the Town of Golden Beach Employees Pension Plan as contained herein and all amendments thereto.
19. Plan Year means each year commencing on October 1 and ending on September 30.
20. Police Officer means an Employee who is classified by the City as a regular full-time police officer; civilian members of the Police Department shall not be considered Police Officers.
21. Predecessor Plan means the pension plan for Employees of the City that was in effect up to the day before the Effective Date hereof.
22. Spouse shall mean the lawful wife or husband of a Member at time of preretirement death or retirement.

3. Change in Designation of Beneficiary

A Member may from time to time change his designated Beneficiary by written notice to the Board upon forms provided by the Board. Upon such change, the rights of all previously designated Beneficiaries to receive any benefit under the Plan shall cease.

4. Exceptions from Membership

The City Council may designate certain Employees not to be included for membership in the Plan where the City provides comparable benefits in another program such as the deferred compensation program sponsored by the International City Managers Association. This designation may only apply to Employees whose employment is subject to appointment by the City Council. Each other Employee must become a Member of the Plan as a condition of his employment.

SECTION 3. BENEFIT AMOUNTS AND ELIGIBILITY

1. Normal Retirement Benefit

a. Amount. Each Member who retires on or after his Normal Retirement Date shall be eligible to receive a normal retirement benefit commencing on his actual retirement date. The monthly normal retirement benefit shall be an amount equal to one and one-half percent (1.50%) of his Average Monthly Earnings

2. Early Retirement Benefit

- a. Amount. Each Member who retires on or after his Early Retirement Date but before his Normal Retirement Date shall be eligible to receive an early retirement benefit commencing on his actual retirement date. The monthly early retirement benefit shall be an amount equal to his Accrued Benefit reduced by five-twelfths of one percent for each month by which the benefit commencement date precedes the Normal Retirement Date.
- b. Form of Benefit. Same as for normal retirement.
- c. Optional Forms of Benefit. Same as for normal retirement.
- d. 100% Vesting. Each Member who attains his Early Retirement Date shall be 100% vested in his Accrued Benefit.

3. Disability Retirement Provisions

- a. Definition of Disability. For purposes of this Plan, total and permanent disability shall mean an injury, disease or condition which permanently incapacitates a Member, either physically or mentally, from performing the duties normally associated with his position with the City. A total and permanent disability arising directly from the performance of service to the City by a Member as an Employee shall be considered to be a Service Incurred Disability. A total and permanent disability arising from any other cause or source shall be considered to be a Non-Service

(either as an employee or through some other contractual arrangement) for anyone other than the City and arising out of such other employment or contractual arrangement. In addition, a Member shall not be entitled to receive a disability retirement benefit from the Plan on the basis of any condition evidenced during the Member's preemployment physical.

- b. Application for Benefits. In order for the Board to consider a Member's request for disability retirement benefits, the Member must apply in writing to the Board. This application must be made as soon as is practicable following the date when the disability condition arose. Unless extenuating circumstances can be proven to the satisfaction of the Board, an application dated more than six (6) months following the date when the disability condition arose or first became evident shall be grounds for the denial of the application by the Board. Upon receipt of proper application by the Board, the Board shall arrange for a physical examination of the applicant by the medical board. A further condition for receipt of disability retirement benefits from the Plan is that the applicant must apply for disability benefits from Workers' Compensation. Written proof of such application must be submitted to the Board. Failure of the applicant to

qualify as being disabled under Workers' Compensation may be

The payment for such services shall be determined by the Board of Trustees.

- d. Determination of Disability. All questions relating to eligibility for initial payment or continuance of disability benefits shall be determined by the Board, taking into consideration the recommendations of the medical board and such other evidence of which the Board may avail itself. The general steps which the Board shall follow in its determination shall be as listed below, provided however, that the Board may in its discretion alter or modify these steps:
- (1) Determine whether the Member's application is proper and timely.
  - (2) If application is for a Non-Service Incurred Disability, determine whether the five (5) years of Credited Service requirement has been met.
  - (3) Based on all evidence submitted to the Board, determine whether the applicant satisfies the definition of disability, including the listed exclusions.
  - (4) Determine whether the disability is to be considered a Service Incurred Disability or a Non-Service Incurred Disability, taking into consideration Chapter 185.34,



(2) Amount of Service Incurred Disability Benefit.

Thirty percent (30%) of the Member's monthly Earnings in effect on the date of disability, subject in any event to the offsets listed below.

(3) Amount of Non-Service Incurred Disability Benefit.

Fifteen percent (15%) of the Member's monthly Earnings in effect on the date of disability.

(4) Terms of Payments. Disability benefits shall commence on or as of the first day of the month coincident with or next following the date of disability, as established by the Board, and shall continue to be paid on the first day of each subsequent month until the death or recovery of the disability retiree.

(5) Benefit Offsets. Disability retirement benefits described above shall be reduced by any disability benefits paid by Workers' Compensation. Any cost of living adjustments in the disability retiree's Workers' Compensation benefits shall not serve to reduce further the disability benefit payable from the Plan. In the case of a lump sum settlement paid by Workers' Compensation, the disability retirement benefit payable from the Plan shall be suspended for a

prospective retiree shall affirm that he is acquainted and familiar with the terms and conditions of his disability retirement. In particular, he shall acknowledge the authority of the Board to require him to undergo periodic future physical examinations in order to determine whether he is still disabled.

g. Authority for Reexamination. Each person who first qualifies for disability retirement benefits on or after the Effective Date shall be subject to periodic reexamination by a medical board selected by the Board of Trustees to determine if such disability has ceased to exist. Such reexaminations shall not be permitted more often than twice in any calendar year.

h. Recovery from Disability. In the event a Member who has been retired on a disability benefit regains his health and is able to perform the duties associated with the position he held prior to becoming disabled, the Board shall discontinue the pension. If such Member shall resume his employment with the City, then he shall retain his Credited Service for the period prior to his disability retirement. Should a Member who recovers from disability not return to employment with the City, he shall be eligible to receive any benefits he would otherwise have received had he terminated employment on his date of disability less the

Normal Retirement Date but before his actual retirement, a death benefit shall be paid from the Fund to his Beneficiary. The amount of the benefit shall be computed as though the Member had retired on his date of death and had chosen a 100% Joint and Last survivor option, as specified in Section 4a.

b. Death Subsequent to Retirement. In the event of the death of a retiree, death benefits, if any, shall be paid in accordance with the form of benefit chosen at the time of retirement.

5. Termination Benefits and Vesting

Each Member with at least ten (10) years of Credited Service who terminates employment with the City and who is not eligible for any of the retirement, disability or death benefits set forth herein shall receive from the Fund his Accrued Benefit payable commencing at the date which would have been his Normal Retirement Date had he remained in full-time employment with the City. Such Member may elect to receive his vested Accrued Benefit at his Early Retirement Date or on the first day of any subsequent month with such benefit being subject to the reduction factor set forth in Section 3, subsection 2a. If a terminated Member with ten (10) or more years of Credited Service dies before the commencement of his vested retirement benefit, no benefits shall be payable from the Fund.

6. Limitation on Benefits

If the Member has less than ten years of service with the City (as defined in IRC Section 415(b)(5) and as modified by IRC Section 415(b)(6)(D)), the applicable limitation in paragraph a. or paragraph b. of this subsection shall be reduced by multiplying such limitation by a fraction, not to exceed one (1). The numerator of such fraction shall be the number of years, or part thereof, of service with the City; the denominator shall be ten years.

For purposes of this subsection, the "annual benefit" means a benefit payable annually in the form of a straight life annuity with no ancillary or incidental benefits and with no Member or rollover contributions. To the extent that ancillary benefits are provided, the limits set forth in paragraphs a. and b. above will be reduced actuarially, using an interest rate assumption equal to the greater of 5% or the interest rate used in the most recent actuarial valuation, to reflect such ancillary benefits.

If distribution of retirement benefits begins before age 62, the dollar limitation as described in paragraph a. shall be reduced actuarially using an interest rate assumption equal to the greater of 5% or the interest rate used in the most recent actuarial valuation; however, retirement benefits shall not be reduced below \$75,000 if payment of benefits begins at or after age 55 and not

- later. In the alternative, distribution shall commence no later than the above specified commencement date and be distributable over a period of time not exceeding the limitations hereinafter set forth:
- a. Distributions to a Member shall not extend beyond the life of the Member or the lives of the Member and his designated Beneficiary, or over a period not extending beyond the life expectancy of the Member or the life expectancy of the Member and his designated Beneficiary.
  - b. If distribution has commenced to a Member, and such Member dies before receiving his entire interest, the remainder of such interest shall be distributed over a period at least as rapidly as under the method of distribution in effect prior to such Member's death (e.g., remainder of period certain basis).
  - c. Any method of distribution selected and made in writing by a Member prior to January 1, 1984, and which is in compliance with Plan provisions prior to said date, shall be permitted hereunder even though not in accordance with the above provisions as applied to Plan Years beginning after December 31, 1983.

SECTION 4. OPTIONAL FORMS OF BENEFITS

Each Member entitled to a normal or vested retirement benefit shall

benefit, during his lifetime and have such adjusted benefit (or a designated fraction thereof) continued after his death to and during the lifetime of his Beneficiary. The election of Option 1 shall be null and void if the designated Beneficiary dies before the Member's benefit payments commence.

b. Option 2 - 10 Years Certain and Life Annuity

The Member may elect to receive a benefit, which has been adjusted to the Actuarial Equivalent of the normal form of benefit, with 120 monthly payments guaranteed. If the Member should die before said 120 monthly payments are made, payments are then continued to his designated Beneficiary until 120 payments in all have been made, at which time benefits cease.

After expiration of the 120 monthly guaranteed payments, should the retired Member be then alive, payments shall be continued during his remaining lifetime.

c. Option 3 - Single Life Annuity

The Member may elect to receive a retirement benefit, which has been adjusted to the Actuarial Equivalent of the normal form of benefit, which will continue during his lifetime and cease upon his death.

d. Option 4 - Other

amortize the unfunded actuarial liability in accordance with applicable laws of the State of Florida. The City's contribution shall be deposited on at least a quarterly basis.

3. Other

Private donations, gifts, and contributions may be deposited to the Fund, but such deposits must be accounted for separately and kept on a segregated bookkeeping basis. Funds arising from these sources may be used only for additional benefits for Members, as determined by the Board, and may not be used to reduce what would have otherwise been required City contributions.

SECTION 6. ADMINISTRATION

1. The general administration and responsibility for the proper operation of the Plan and for making effective the provisions of this Ordinance are hereby vested in a Board of Trustees consisting of five (5) persons as follows:

a. The Mayor of the City,

b: The ~~Vice~~ Mayor of the City Council,

c. One Police Officer elected by Police Officers who are Members of the Plan,

d. One General Employee elected by General Employees who are Members

of the Plan and

An election shall be held not more than thirty (30) and not less than ten (10) days prior to the commencement of the terms for which Trustees are to be elected. The Board shall establish and administer the election procedure for each election. The Board of Trustees shall meet, organize, and elect one of their members as Vice Chairman and one member as Secretary within ten (10) days after all the Trustees are elected and duly qualified. The Mayor shall serve as Chairman.

4. If a vacancy occurs in the office of Trustee, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled.

5. The Trustees shall serve without compensation, but they may be reimbursed from the fund for all necessary expenses which they may actually expend through service on the Board.

6. Each Trustee shall, within ten (10) days after his appointment or election, take an oath of office before the City Clerk of the City, that so far as it develops upon him he will diligently and honestly administer the affairs of the said Board, and that he will not knowingly violate or willingly permit to be violated any of the provisions of the law applicable to the Plan. Such oath shall be subscribed to by the members making it and certified by the said



Funds may be disbursed by the City Finance Department or other disbursing agent as determined by the Board, but only upon written authorization by the Board.

10. Any Trustee who neglects the duties of this office, as determined by the Board, may be recommended for removal by four concurring votes among the Board. Said recommendation shall be made to the body by whom the member was appointed or elected.

11. The duties and responsibilities of the Board shall include, but not necessarily be limited by, the following:

- a. To construe the provisions of the Plan and determine all questions arising thereunder.
- b. To determine all questions relating to eligibility and participation.
- c. To determine and certify the amount of all retirement allowances or other benefits hereunder.
- d. To establish uniform rules and procedures to be followed for administrative purposes, benefit applications and all matters required to administer the Plan.
- e. To distribute at regular intervals to employees, information concerning the Plan.
- f. To receive and process all applications for participation and

- (1) Have prepared annually and distributed to all Members a description and a summary of pertinent updated financial actuarial information.
- (2) Assure that City contributions are deposited into the Trust Fund at least quarterly.
- (3) Assure that all regular and special actuarial reports are filed with the Florida Division of Retirement within 60 days of receipt.
- (4) Have actuarial valuations performed on a regular basis. Have special actuarial work performed in advance so as to determine costs of any Plan changes or amendments prior to their adoption.
- (5) Establish a uniform procedure for prompt review and rehearing of all claims by Members or Beneficiaries.
- J. To maintain a minute book containing the minutes and records of proceedings and meeting of the Board.
- k. To perform such other duties as are specified in this Ordinance

SECTION 7. FINANCES AND FUND MANAGEMENT

- 1. Establishment and Operation of Fund
  - a. As part of the Plan, there is hereby established the Fund, int

these, for purposes of investment decisions and management. Such investment manager shall have full discretion, within any broad guidelines prescribed by the Board, in the investment of all Fund assets.

d. All funds and securities of the Plan may be commingled in the Fund provided that accurate records are maintained at all times reflecting the financial composition of the Fund, including accurate current accounts and entries as regard the following:

- (1) Receipts and disbursements,
- (2) Benefit payments,
- (3) City contributions,
- (4) All interest, dividends and gains (or losses) whatsoever, and

(5) Such other entries as may be properly required so as to reflect a clear and complete financial report of the Fund.

e. The Board of Trustees shall have the following investment powers and authority:

- (1) The Board of Trustees shall be vested with full legal title to said Fund, subject however, and in any event to the authority and power of the City Council to amend or terminate this Trust, provided that no amendment or Fund termination shall ever result in the use of any assets of

- (3) The Board of Trustees may retain in cash and keep unproductive of income such amount of the Fund as it may deem advisable, having regard for the cash requirements of the Plan.
- (4) Part of the Fund may be invested in deposits which bear a reasonable rate of interest in a bank or similar financial institution, even though such institution is a custodian or investment advisor with respect to the Plan.
- (5) The Fund may be invested in a common or collective trust fund or pooled investment fund maintained by a bank or trust company or a pooled investment fund of an insurance company qualified to do business in the State even though such bank, trust company or insurance company is a custodian or investment advisor with respect to the Plan, provided such bank, trust company or insurance company receives not more than reasonable compensation.
- (6) No person or entity shall be liable for the making, retention, or sale of any investment or reinvestment made as herein provided, nor for any loss or diminishment of the Fund, except that due to his or its own negligence, willful misconduct or lack of good faith.
- (7) The Board shall cause any investment in securities held by it to be registered in or transferred into its name as Trustee or into the name of the custodian's nominee as it may direct, or the custodian may retain them unregistered and in form permitting transferability, but the books and records shall at all times show that all investments are part of the Trust Fund.
- (8) The Board is empowered, but is not required, to vote upon any stocks, bonds, or securities of any corporation, association, or trust and to give general or specific proxies or powers of attorney with or without power of substitution; to participate in mergers, reorganizations, recapitalizations, consolidations, and similar transactions with respect to such securities, to deposit such stock or other securities in any voting trust or any protective or

like committee or with the Trustees or with depositaries designated thereby; to amortize or fail to amortize any part or all of the premium or discount resulting from the acquisition or disposition of assets; and generally, to exercise any of the powers of the owner with respect to stocks, bonds, or other investments, comprising the Fund which it may deem to be to the best interest of the Fund to exercise.

(9) The Board shall not be required to make any inventory or appraisal or report to any court, nor to secure any order of court for the exercise of any power herein contained.

(10) Where any action which the Board is required to take or any duty or function which it is required to perform either under the terms herein or under the general law applicable to it as Trustee under this Ordinance, can reasonably be taken or performed only after receipt by it from a Member, the City or any other entity of specific information, certification, direction or instructions, the Board shall be free of liability in failing to take such action or perform such duty or function until such information, certification, direction or instruction has been received by it.

(11) Any overpayments or underpayments from the Fund to a Member or Beneficiary caused by errors of computation shall be adjusted with interest at a rate per annum approved by the Board. Overpayment shall be charged against payments next succeeding the correction. Underpayments shall be made up from the Trust Fund.

(12) The Board shall sustain no liability whatsoever for the sufficiency of the Fund to meet the payments and benefits herein provided for.

(13) In any application to or proceeding or action in the courts, only the City and the Board shall be necessary parties, and no Member or other person having an interest in the Fund shall be entitled to any notice of service or process. Any judgment entered in such a proceeding or action shall be conclusive upon all persons.

f. Any of the foregoing powers and functions reposed in the Board may be performed or carried out by the Board through duly authorized agents, provided that the Board at all times maintains continuous supervision over the acts of any such agent; provided further, that legal title to said Fund shall always remain in the Board of Trustees.

SECTION 8. REPEAL OR TERMINATION OF PLAN

1. This Ordinance establishing the Plan and Fund, and subsequent Ordinances pertaining to said Plan and Fund, may be modified, terminated, or amended, in whole or in part; provided that if this or any subsequent Ordinance shall be amended or repealed in its application to any person benefiting hereunder, the amount of benefits which at the time of any such alteration, amendment, or repeal shall have accrued to the Member or Beneficiary shall not be affected thereby, except to the extent that the assets of the Fund may be determined to be inadequate.
2. If this Ordinance shall be repealed, or if contributions to the Plan are discontinued, the Board shall continue to administer the Plan in accordance with the provisions of this Ordinance, for the sole benefit of the then Members, and Beneficiaries then receiving

b. Members who have at least ten (10) years of Credited Service, in proportion to and to the extent of the then actuarially determined present value of their Accrued Benefits. If any funds remain, then

c. All other Members whose present value of Accrued Benefits have not been covered in a previous category in the same manner as in b.. After all the Accrued Benefits provided hereunder have been paid and after all other liabilities have been satisfied, then and only then shall any remaining funds revert to the general fund of the City.

4. The allocation of the Fund provided for in this subsection may, as decided by the Board, be carried out through the purchase of insurance company contracts to provide the benefits determined in accordance with this subsection. The fund may be distributed in one sum to the persons entitled to said benefits or the distribution may be carried out in such other equitable manner as the Board may direct. The Trust may be continued in existence for purposes of subsequent distributions.

If, at any time during the first ten years after the Effective Date, the Plan shall be terminated or the full current costs of the Plan (consisting of the normal costs and interest on any accrued

SECTION 9. MISCELLANEOUS

1. Discharged Members. Members entitled to a pension shall not forfeit the same upon dismissal from the Department, but shall be retired as herein described.
2. Non-Assignability. No benefit provided for herein shall be assignable or subject to garnishment for debt or for other legal process.
3. Pension Validity. The Board of Trustees shall have the power to examine into the facts upon which any pension shall heretofore have been granted under any prior or existing law, or shall hereafter be granted or obtained erroneously, fraudulently, or illegally for any reason. Said Board is empowered to purge the pension rolls of any person theretofore granted a pension under prior or existing law or hereafter granted under this Ordinance if the same is found to be erroneous, fraudulent or illegal for any reason; and to reclassify any pensioner who has heretofore under any prior or existing law or who shall hereafter under this Ordinance be erroneously, improperly or illegally classified.
4. Incompetents. If any Member or Beneficiary is a minor or is, in the judgment of the Board, otherwise incapable of personally receiving



SECTION 11. All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

SECTION 12. This Ordinance shall take effect immediately upon final passage by the City Council and shall be published as required by law.

SECTION 13. That should any section or provision of this Ordinance or any portion thereof, any paragraph, sentence or word be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder hereof as a whole or part thereof other than the part to be declared invalid.

PASSED AND ADOPTED ON FIRST READING: 12/16/86

PASSED AND ADOPTED ON SECOND READING: 1/20/87

PASSED AND ADOPTED by the Town Council of the Town of Golden Beach, Florida this 20 day of January, 1987

The Motion to adopt the foregoing ordinance was offered by:

Councilman Sorota  
seconded by:

Councilman Kheel  
and on roll call the following vote ensued:

Vice Mayor Dufiner	<u>aye</u>
Councilman Fried	<u>aye</u>
Councilman Kheel	<u>aye</u>
Councilman Sorota	<u>aye</u>
Councilman Tweddle	<u>aye</u>

MAYOR

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

TOWN ATTORNEY

TOWN CLERK