

**RETIREMENT PLAN AND TRUST FOR THE  
MANAGEMENT AND GENERAL EMPLOYEES OF  
THE TOWN OF DAVIE**

**TRUSTEES NOTEBOOK**

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Travelers Casualty and Surety Company of America  
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1-888-401-5529

**Policy Period: 7/12/2023 - 7/12/2024**

**PERFORMANCE MONITOR  
OF INVESTMENT MANAGERS**

Asset Consulting Group

**RETIREMENT PLAN AND TRUST FOR THE  
MANAGEMENT AND GENERAL EMPLOYEES OF THE  
TOWN OF DAVIE  
NEW TRUSTEE HANDBOOK**

April 2022

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## INTRODUCTION

On behalf of the Board of Trustees (the “Board”) for the Retirement Plan and Trust for the Management and General Employees of the Town of Davie (the “Plan”) we would like to congratulate you and welcome you to the Board. We recognize that you likely have not had any formal training or experience as a trustee. This Handbook is intended to be a guide to familiarize you with the duties and responsibilities of being a trustee. Enclosed with this Handbook is a copy of the Plan document. The Plan document is the law governing your Plan.

As a fiduciary, it is recommended that trustees become acquainted with the provisions contained within the Plan document. The Plan is also governed by certain provisions of Chapter 112, Part VII, Chapter 119, and Chapter 286, Florida Statutes; various federal laws including the Internal Revenue Code and amendments thereto; as well as any Operating Procedures and Administrative Rules adopted by the Board.

It is important to recognize that the Plan is a Defined Benefit plan, which means it is a traditional pension plan that promises to pay its participants a specific benefit when they retire. The amount of retirement benefits is known in advance and is based on a participant’s age, years of services, and earnings. In order to pay benefits, the Plan receives contributions from the Town of Davie and plan participants. These funds are invested based on the Board’s Investment Policy Statement.

This Handbook is meant to be a general guide and in no way is intended to interpret, extend or change the provisions of the Plan. Nothing in this Handbook creates any contract for benefits or establishes any legal right not otherwise provided by law. In the event anything in this Handbook conflicts with any applicable statute, chapter law, ordinance, Board rule or other provision of law, those provisions of law will control.

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Board of Trustees, Town of Davie  
Retirement Plan & Trust for the Management & General Employees  
**TRUSTEE FUNCTIONS AND GENERAL RESPONSIBILITIES**

The Board must:

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## Retirement Plan & Trust for the Management & General Employees of the Town of Davie

### Re: New Trustee Handbook

- Read, reread, and read again the ordinances creating, amending, and pertaining to the Plan. Familiarize yourself with all Board rules or policies. Be intimately familiar with these documents.
- Have knowledge of communications provided to Plan participants, such as the Summary Plan Description, employee benefit statements, retirement benefit notifications, handouts from personnel to new employees, enrollment forms, etc.
- Act as the named fiduciary of the Plan as defined by Florida law.
- Be responsible for establishing, executing, and monitoring the Plan's Investment Policy Statement.
- Approve methods of internal reporting and control and ensure overall compliance with appropriate governing conditions.
- Have the exclusive authority to operate, maintain and interpret the provisions of the ordinances creating the Plan.
- Select and retain professional service providers including, but not limited to, accountants, actuaries, administrators, attorneys, banks and custodians, investment managers, performance monitors and any others deemed necessary to the operation of the Plan.
- Determine all questions relating to eligibility and participation.
- Determine all claims for retirement or disability benefits and forfeitures.
- Establish uniform rules and procedures to be followed for administrative purposes, benefit applications, and all matters required to administer the Plan.
- Authorize all payments and other expenditures arising through operation of the Plan and system.

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Retirement Plan & Trust for the Management & General Employees of the Town  
of Davie  
Re: New Trustee Handbook

- Have prepared and distribute a Summary Plan Description every two years as provided by Section 112.66, Florida Statutes.
- Direct such actuarial and accounting functions as are required by law. File reports with the State of Florida and other appropriate bodies.
- Attend annual pension related training and conferences and join professional organizations dealing in the area of pensions; and
- Fulfill all other such duties as may be required by prudence and law.

## **FIDUCIARY STATUS**

As a trustee you will hear the word “fiduciary” a lot. Florida Statutes, Section 112.656 makes trustees fiduciaries of the Plan. A fiduciary is defined as a person responsible for the discharge of his or her duties with respect to the pension plan for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying the reasonable expenses of administering the plan.

The trustees, as fiduciaries of the Plan, must hold, manage, control and safeguard the Plan solely in the interests of Plan members. A fiduciary owes to its principal, in this case the members and beneficiaries of the Plan, the duty to:

- refrain from self-dealing;
- the duty of loyalty; and
- an overall duty of prudence.

Under the duty of loyalty, trustees must administer the Plan solely in the interest of the Plan members. The duty of loyalty also requires trustees to deal fairly and to communicate to the members all known material facts regarding operation of the Plan. Further, trustees must act with the same care, skill and attention that a prudent person would act in a similar enterprise with similar aims. Simply stated, a trustee must put the interest of the Plan members and beneficiaries before his or her own personal interest.

## **ADMINISTRATION OF THE PLAN**

The general administration and responsibility for the proper operation of the Plan is vested in a five-member Board of Trustees. The Board consists of five trustees, to-wit: two members of the management employees who are elected by the management employees, two members of the general employees who are elected by the general employees, and one Town Administrator designee. The initial term of the Board shall be: a one-year term for one management employee and one general employee, a two-year term for one management employee and one general employee, and a three-year term for the Town Administrator’s designee. Thereafter, each member shall serve a four-year term.

As a trustee you must determine all claims for retirement and disability benefits, forfeitures, and other claims brought before the Board. You will be judged using the reasonably prudent person rule, which assesses whether you used good judgment or common sense when deciding these claims and other matters. For more information regarding the administration of the Plan please refer to the Plan document.

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## **PROFESSIONAL ADVISORS OF THE PLAN**

The Plan is authorized to hire outside vendors to advise and provide financial, legal, and other services to the Plan and to the Board. Below is a list of advisors the Board is authorized to hire and whom the Board has hired.

### **Actuary**

The Plan's actuary is Chuck Carr with Southern Actuarial Services Company, Inc. The actuary prepares the annual actuarial valuation, actuarial experience studies, annual member statements, actuarial impact statements, and other required reports and calculations.

### **Administrator**

The Plan Administrator is Jeremy Langley and Laura Underhill with the Florida League of Cities. The Administrator is in charge of the day-to-day records keeping and management functions of the Plan and is primarily responsible for contact with members and beneficiaries regarding Plan features and benefits.

### **Attorney**

The Plan's general counsel is Klausner, Kaufman, Jensen & Levinson. General counsel acts as an advisor to the Board and assists with all legal matters related to the Plan. Additionally, general counsel provides updates on new developments in pension and retirement system law as well as a variety of other related issues.

### **Auditor**

The City auditor is responsible for auditing the annual financial statements of the Plan. The City's Auditor is **Keefe McCullough & Co CPA**.

### **Custodian**

The Plan's assets are held in trust at **Northern Trust**.

### **Investment Manager**

The Board hires various professional investment advisors to invest the assets for the Plan.

### **Investment Performance Consultant**

The investment consultant prepares a quarterly report comparing the Plan's performance to certain benchmarks and other criteria. The Plan's Investment consultant is **Asset Consulting Group**.

## **CODE OF ETHICS**

When making investment decisions, trustees must abide by the “Prudent Investor Rule.” The Prudent Investor Rule is generally recognized in the American Law of Trusts and the Florida Statutes governing public pension plans. A summary of those statutes is included in this Handbook. The Prudent Investor Rule provides that a trustee, as fiduciary to the Plan, will exercise all judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence, exercise in the management of a similar enterprise.

Municipal pension board trustees are considered public officers for purposes of the Florida Ethics Commission. As an officer, trustees must annually complete a Statement of Financial Interest (Form 1). The Form 1 is a tool that provides transparency to the public by evaluating a trustee’s potential conflicts of interest and helping to deter corruption which in turn promotes public confidence in government.

The Form 1 must be filed within 30 days of a trustee’s appointment or election and then **annually** by July 1 of each year. Be sure to read the directions prior to completing and submitting the form. The Florida Commission on Ethics has a short video regarding the completion of the Form 1, in addition to other ethical topics you may need to know, <http://www.ethics.state.fl.us/Training/Training.aspx?msclkid=97afc2a0c57411ec9de090b622b10b42>. <http://www.ethics.state.fl.us/Training/Training.aspx>. Should you have any further questions regarding the Form 1 or any ethical concerns, the Plan Administrator or the Plan’s general counsel will be able to assist.

As an officer, trustees are also subject to the ethics laws of the State and of the county. The State ethics provisions are located here: <http://www.ethics.state.fl.us/Research/EthicsLaws.aspx>. Additionally, Broward County may have its own ethics laws that trustees are subject to follow.

## **INVESTMENTS**

Florida Statute, Chapter 112.661, sets forth the requirements that must be followed in adopting and implementing an investment policy. A written investment policy is required to be adopted by the Board and filed with the State Department of Management Services. The policy must be structured to maximize the financial return to the Plan. The policy must also establish an appropriate diversification of the Plan’s assets and list the investments authorized by the Board. The investments that can be authorized by the Board are those set forth in the Plan document and the corresponding state statutes.

The investment policy must describe the level of prudence and ethical standards to be followed by the Board in carrying out its investment activities. Specifically, the trustees must discharge their duties for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of the Plan. Trustees shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity would use. Trustees are required to diversify the investments of the Plan to minimize the risk of large losses, unless under the circumstances it is clearly not prudent to do so. The reasonableness of an investment is viewed based on the information available at the time the action is taken and not in retrospect.

## **INSURANCE**

The three most common insurances procured by a Board of Trustees are fiduciary liability insurance, bonding, and cyber liability insurance. These three insurances are discussed in more detail below. Other insurances the Board may wish to consider include comprehensive general liability insurance, property damage insurance (if the Board/Plan owns or leases any furniture, furnishings or equipment), and workers' compensation insurance for Board employees.

### **Fiduciary Liability Insurance**

As a trustee who makes investment decisions for the benefit of others, the Board should decide whether to purchase fiduciary liability insurance to protect against claims of mismanagement. State law expressly permits pension boards and trustees to purchase fiduciary liability insurance to cover acts and omissions occurring in the performance of their duties. The Board should seek a waiver of subrogation. As with any insurance, it does not cover all contingencies.

No insurance will cover acts taken in bad faith, maliciously, or in a manner exhibiting a wanton and willful disregard for human rights, safety, or property. In fact, a trustee who is aware of willful or intentional misconduct on the part of another Trustee is obligated, upon discovery, to reveal that discovery at a meeting of the Board and to move his or her fellow trustees to take whatever action is necessary to correct the misdeeds.

### **Fidelity Bonding**

Fidelity bonding protects the Plan from a dishonest act which results in loss to the Plan. Bonding generally dovetails with the Plan's fiduciary policy so that coverage of one is excluded by the other.

### **Cyber Liability Insurance**

Cyber liability insurance generally covers the Plan's liability for a data breach involving sensitive information, including but not limited to, social security numbers, bank account numbers, and medical/health records. Additionally, it is recommended that all of the Plan's professional service providers have cyber liability insurance in the amount of \$1,000,000 and that the Plan be added as an additional insured.

### **FORFEITURE**

The Florida Constitution and Section 112.3173 provide for the forfeiture of pension benefits (except a return of employee contributions without interest) following conviction of certain specified crimes. Pursuant to Section 112.3173(e), the specified offenses are:

- (1) Committing, aiding or abetting of an embezzlement of public funds;
- (2) Committing, aiding or abetting of any theft by a public officer or employee from employer;
- (3) Bribery in connection with the employment of a public officer or employee;
- (4) Any felony specified in Chapter 838, Florida Statutes;
- (5) The committing of an impeachable offense;
- (6) The committing of any felony by a public officer or employee who, willfully and with intent to defraud the public or the public agency for which the public officer or employee acts or in which he or she is employed of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains, or attempts to realize or obtain, a profit, gain, or advantage for himself or herself or for some other person through the use or attempted use of the power, rights, privileges, duties, or position of his or her public office or employment position.
- (7) The committing on or after October 1, 2008, of any felony defined in §800.04, Florida Statutes, against a victim younger than 16 years of age, or any felony defined in Chapter 794, Florida Statutes against a victim younger than 18 years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.

The Board should have a detailed procedure in place for the conduct of investigation and determination of possible forfeitures. Forfeiture claims are conducted pursuant to



Chapter 120, Florida Statutes, the Administrative Procedures Act. If a forfeitable offense is determined to have occurred, the Board has no discretion on the penalty.

In addition to the state forfeiture law, federal law allows for court ordered restitution to be deducted from retiree benefits.

### **SUMMARY OF LAWS GOVERNING THE PLAN**

While trustees are not expected to be conversant in all of the various legislative enactments governing the Plan, it is appropriate to have a fundamental understanding of the complex interactions among these laws. Trustees should be aware of the following laws:

**Retirement Plan and Trust for the Management and General Employees of the Town of Davie Plan Document.** It is the document governing Plan participation. This document outlines a program of benefits payable to participants and beneficiaries and sets forth the conditions of eligibility of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie.

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### **FLORIDA CONSTITUTION AND STATUTES**

**Article I, Section 10, Florida Constitution** - This provision bars impairment of a contract. No law can retroactively lower accrued benefits. Once a member becomes eligible to retire (or enter DROP) no aspect of the benefit may be lowered or eliminated. Statutory changes can alter future accrual of benefits for other participants, provided all benefits accrued to date are unaffected.

**Article X, Section 14, Florida Constitution** - This provision requires an actuarially sound payment method before any benefit improvement can be adopted.

**Chapter 112, Part VII, Florida Statutes** - This series of statutes requires an actuarial impact statement before any statute or ordinance altering a pension benefit. Failure to pay the actuarially required contribution can result in a loss of all state revenue sharing money, including insurance premium tax rebates. This law makes all trustees and certain full time employees fiduciaries of the Plan. It requires a plain language summary of benefits and the funding status of the Plan be made available to members every two years. Benefits are limited to 100% of final average compensation and no person may receive credit in two different retirement plans for the

same time period. The statute requires each pension plan to have a written investment policy and to govern the standard of care for investments under what is called the “prudent investor standard” which is the same standard used in private sector pension plans under the Employee Retirement Income Security Act (ERISA). As a governmental plan, the Plan is exempt from all provisions of ERISA and the regulations of the Department of Labor.

**Chapter 286, Florida Statutes** - It is important to be aware that trustees are subject to the Florida Sunshine Law, which is laid out in Chapter 286, Florida Statutes. In general, the Florida Sunshine Law provides that all business of a public board must be conducted at a properly noticed public meeting. Minutes of each board meeting must be kept and be available for inspection. Trustees **cannot** discuss board business with another Trustee on the same board outside of a meeting. Trustees **can** discuss questions with the Plan Administrator or the Plan’s general counsel. You **can** also discuss board matters with anyone else who is not a trustee. You **cannot**, however, use a non-trustee to communicate with another trustee on your behalf.

The Board may, from time to time, delegate any of its functions to a committee of one or more trustees. In the event that a committee consists of more than one trustee, the committee shall meet in accordance with the provisions of the Florida Sunshine Law. All committees are appointed by the Chairperson or the Board. Meetings of committees governed by the Sunshine Law must be publicly noticed and recorded the same as a regular Board meeting.

**Chapter 119, Florida Statutes** - Records of all Board and Committee meetings must be maintained and open to public inspection in accordance with Chapter 119, Florida Statutes, the Public Records Law. Copies of the minutes should be made available upon request. The Board’s records management liaison officer must respond to all requests for public records made to the Board. Medical records of any Plan participant are **exempt** by law from automatic disclosure and are to be maintained so as to ensure the security of privileged information concerning the participant’s medical records. However, once medical records are attached to a disability application, they **may** lose their confidential status and become public records. The Plan requires a waiver of confidentiality in order to facilitate the required public nature of meetings. Certain

personal information of active and retired members is also exempt from disclosure as provided by law.

**Chapter 61, Florida Statutes** - This is Florida's dissolution of marriage law. It is relevant because one's pension is specifically made marital property. The Plan can be required to directly pay a portion of the retiree's benefit to a former spouse or the state registry for alimony or child support. The Plan **cannot** directly pay a share of the benefit as marital property because local government pensions in Florida cannot recognize a qualified domestic relations order (QDRO) because that is an ERISA provision. We have developed a model order to effectuate the same result and our pension office has the model order to provide applicants for benefits.

**Section 215.47, Florida Statutes** - This statute sets the permitted and prohibited investment options and asset allocations for retirement plans. Chapters 185 has more conservative asset requirements.

**Section 518.11, Florida Statutes** - This statute is Florida's version of the Uniform Prudent Investor Act. It establishes the state law prudent investor standard of care.

## **EXHIBIT A - PLAN DOCUMENT**

## Introduction

### **Retirement plan established; name; operative date; codification.**

(a) A retirement plan is hereby codified and placed under the exclusive administration and management of a board of trustees for the purpose of providing retirement benefits pursuant to the provisions of this part and for defraying the reasonable expenses of the retirement plan.

(b) The retirement plan established by this part shall be known as the Retirement Plan and Trust for the Management and General Employees of the Town of Davie (hereinafter the "Plan").

(c) The Plan shall have an effective date of October 1, 2003

(d) The Plan was established by Ordinance 2004-2, which adopted a model Florida Municipal Pension Trust Fund Defined Benefit Plan and Trust. Ordinance 2004-2 authorized participation in the Florida Municipal Pension Trust Fund, as governed by a Master Trust Fund Agreement and separate Adoption Agreement. The Plan was subsequently amended by Ordinance 2006-21, Ordinance 2007-1, Ordinance 2008-22, Ordinance 2008-36, Ordinance 2009-11, Ordinance 2012-5, and Ordinance 2013-18. By codifying and restating the Plan into a single ordinance, the rights of the membership and plan sponsor are preserved. The codification process is intended merely to aggregate the current provisions into a single document, rather than subtracting from or expanding such rights and privileges. Codification is not intended to result in any substantive changes to the Plan.

(e) The Plan covers three classifications of employees: Management Employees; Non-represented General Employees; and Represented General Employees, effective the first full pay period in October 2006.

(f) The Plan was recodified and restated effective January 1, 2014. Effective September 30, 2013 a new tier was created by Ordinance 2013-18 for all Participants hired on or after October 1, 2013.

# ARTICLE 1

## DEFINITIONS

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

### **1.01 “Accumulated Contributions”:**

shall mean a Participant's own contributions or contributions to purchase past Service Credit in the plan.

### **1.02 “Accrued Benefit”:**

shall mean a fraction of the benefit to which a Participant would be entitled at their Normal Retirement Date. The numerator of the fraction is the years of participation completed to date and the denominator is the years of participation in the Plan that would have been earned if the Participant continued employment until their Normal Retirement Date.

### **1.03 “Actuary”:**

shall mean an actuary that is a member of the Society of Actuaries or the American Academy of Actuaries and who is enrolled under subtitle C of Title III of the Employee Retirement Income Security Act of 1974.

### **1.04 “Actuarial Equivalent”:**

shall mean a benefit or amount of equivalent current value to the benefit that would otherwise have been provided to the Participant, determined on the basis of appropriate actuarial methods and actuarial assumptions determined by the Actuary and approved by the Board, as periodically updated in the most recent actuarial valuation. Actuarial Equivalent is further defined as a benefit or amount of equivalent current value to the benefit that would otherwise have been provided to the Participant. At the time of calculation of the actuarially equivalent benefit, the calculation shall not include possible future benefit increases which have not been adopted by an Ordinance or Resolution and which are not in effect as of the calculation date. The calculations will be performed using

the 1994 Group Annuity Reserving Table, project to 2002 by Scale AA and the rate of interest which is specified in the preceding actuarial valuation or as otherwise stated in an actuarial study in accordance with IRC Section 417(e)(3).

**1.05 Intentionally left blank.**

**1.06 “Average Final Compensation”:**

For General Employees, one-twelfth of the highest average earnings during the five best years of creditable service prior to separation as an active member or the career average, whichever is greater.

For Management Employees, one-twelfth of the highest average earnings during the three best years of creditable service prior to separation as an active member or the career average, whichever is greater.

For all members hired on or after October 1, 2013, one-twelfth of the highest average earnings during the six best years of credited service prior to separation as an active member or the career average, whichever is greater.

**1.07 “Beneficiary”:**

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

**1.08 “Board”:**

shall mean the Board of Trustees, which shall administer and manage the Plan herein provided and serve as Trustees of the Fund.

**1.09 “Code”:**

shall mean the Internal Revenue Code of 1986, as amended from time to time.

**1.10 "Credited Service":**

shall mean the total number of years and fractional parts of years as a Participant during which the Participant made required contributions to the Plan, omitting intervening years or fractional parts of years when such Participant is not employed by the Employer. Participants shall be permitted to purchase prior service as set forth in Article 18.

Management and Non-Represented General Employees: If a Management or Non-Represented Employee is hired after October 1, 2003, Credited Service shall mean the total number of years and fractional parts of years of service measured from date of employment and the total number and fractional parts of years of service purchased at actual actuarial cost. If such employee is a current employee as of October 1, 2003, credited service shall mean the total number and fractional parts of years of service measured from October 1, 2003.

Represented General Employees: If a Represented General Employee is hired after October 1, 2006, credit service shall mean the total number of years and fractional parts of years of service measured from date of employment and the total number and fractional parts of years of service purchased at actual actuarial cost. If the Represented General Employee is a current employee as of October 1, 2006, credited service shall mean the total number and fractional parts of years of service measured from October 1, 2006.

A Participant may voluntarily leave their Participant contributions in the Fund for a period of five (5) years after leaving the employ of the Employer pending the possibility of being rehired in a position eligible for participation in this Plan, without losing credit for the time that he or she was a Participant in the Plan. If a Participant who is not vested and is not reemployed with the Employer within five (5) years, his Accumulated Contributions shall be returned without interest. Upon return of a Participant's Accumulated Contribution, all rights and benefits under the Plan are forfeited and terminated. Upon any reemployment in a position eligible for participation in this Plan, Participants shall not receive credit for

the years and fractional parts of years for which they have withdrawn Accumulated Contributions from the Plan unless the Participant repays into the Fund the contributions they have withdrawn, with interest, as determined by the Board, within ninety (90) days after reemployment.

A Participant shall receive Credited Service for all purposes, including vesting, for the years or fractional parts of years that he is engaged in the military service of the Armed Forces of the United States, voluntarily or involuntarily, after employment with the Employer, to perform training or service, provided that:

- (A) The Participant must return to his employment with the Employer within one (1) year following the date of military discharge or his release from active service.
- (B) The Participant is entitled to reemployment under the provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA), (P.L.103-353).
- (C) The maximum credit for military service pursuant to this paragraph shall be five (5) years.
- (D) This section is intended to satisfy the minimum requirements of USERRA, as may be amended from time to time. To the extent that this section does not meet the minimum requirements of USERRA, the provisions of USERRA shall govern.

If a participant dies on or after January 1, 2007 while performing Qualified Military Service as defined by USERRA, the participant's beneficiaries shall be entitled to any benefits the participant would have been entitled to had he or she resumed employment and then died while employed.

#### **1. 11 "Deferred Retirement Option Plan" or "DROP":**

shall mean a local law plan retirement option in which a Participant may elect to participate.

A Participant may retire for all purposes of the plan and defer receipt of retirement benefits into a DROP account while continuing employment with their employer. However, a Participant who enters the DROP and who is otherwise eligible to participate



shall not thereby be precluded from participating or continuing to participate in a supplemental plan, if in existence on, or created after, the date of adoption of a DROP.

**1.12 Intentionally left blank.**

**1.13 “Effective Date”:**

shall be October 1, 2003.

**1.14 “Employee”:**

shall mean the classes of employees designated as eligible to participate in this Plan. Employees shall become participants in the Plan immediately when hired as an eligible full time employee.

**1. 15 “Employer”:**

shall mean the Town of Davie, Florida.

**1.15.1 “Fiscal year”:**

shall mean the twelve months commencing on October 1<sup>st</sup> and ending on September 30<sup>th</sup>. The Plan Year shall be the twelve consecutive month period beginning October 1 and end September 30.

**1.16 “Fund”:**

shall mean the Trust Fund established herein as part of the Plan.

**1.16.1 “Full Time Employee”**

shall mean an employee of the Town of Davie as defined by the Town.

**1.17 “General Employee”**

shall mean all full time employees of the Town of Davie not classified as a management employee and not otherwise restricted.

**1.18 “Limitation Year”:**

shall mean the Plan Year.

**1.18.1 “Management Employee”:**

shall mean town administrator, assistant or deputy town administrator, directors, the police chief and fire chief, town clerk, deputy or assistant town clerk, redevelopment administrator and deputy or assistant directors.

Any deputy or assistant fire chief or police chief who was placed into the Retirement Plan and Trust for Management and General Employees (hereinafter “Continued Public Safety Officers”) prior to December 31, 2005 shall have their rights preserved in the Management and General Employee Plan. Following the adoption of this ordinance, service credit for Continued Public Safety Officers shall be computed and provided to the Town of Davie Firefighter Pension Plan and Police Pension Plan, as appropriate. The Town of Davie Firefighter Pension Plan and Police Plan, as appropriate, shall award service credit to Continued Public Safety Officers based on all service earned under the Management and General Employee Plan as a public safety officer.

Although Continued Public Safety Officers shall be permitted to remain members of the Retirement Plan and Trust for Management and General Employees, benefits received from the Management and General Employees Plan shall be offset against benefits paid under the Firefighter or Police Plan. If a Continued Public Safety Officer vests in the Retirement Plan and Trust for Management and General Employees but fails to vest in the Firefighter or Police Plan, the Continued Public Safety Officer shall receive full benefits from the Retirement Plan and Trust for Management and General Employees. Under no circumstances shall a continued Public Safety Officer receive duplication of benefits.

OPTIONAL TRANSFER RIGHTS OF POLICE OR FIRE CHIEF: Any firefighter or police officer who is promoted to the rank of Davie Fire Chief or Police Chief shall have the option, pursuant to Sections 175.032(8) and 185.02(11), Fla.Stat., to transfer the accrued

actuarial present value of their firefighter or police pension benefit to the Town's Retirement Plan and Trust Fund for Management and General Employees (the "Management Plan") prior to separation from service. Following the transfer of funds from the respective public safety plan, the Fire or Police Chief shall receive Credited Service in the Management Plan corresponding to the Credited Service surrendered from the public safety plan. Any election by the Fire Chief or Police Chief to transfer into the Management Plan shall be made in writing and shall acknowledge that the transfer results in the surrender of all rights and benefits under the Firefighter or Police plans.

#### **1.19 "Normal Retirement Date":**

The normal retirement date for a plan member shall be the first day of the month following attainment of age:

For General Employees, the Normal Retirement Date is attainment of age sixty (60) and six (6) years of Vested Service or age fifty-six (56) and thirty (30) years of Vested Service.

For Management Employees, the Normal Retirement Date is attainment of age fifty-two (52) and three (3) years of Vested Service or age forty-eight (48) and twenty (20) years of Vested Service.

For all members hired on or after October 1, 2013, the normal retirement date is the attainment of age sixty-five (65) with ten (10) years of credited service or thirty (30) years of Vested Service and age sixty (60).

#### **1.20 "Participant or Member"**

shall mean the actively employed Employees who are eligible to participate in this Plan; Management Employees; Non-represented General Employees; and Represented General Employees, effective October 1, 2003. Benefit improvements which, in the past, have been provided for by amendments to the Plan adopted by the Employer by ordinance or resolution, and any benefit improvements which might be made in the future shall apply prospectively and shall not apply to Participants who terminate employment or

who retire prior to the effective date of any ordinance or resolution adopting such benefit improvements, unless such ordinance or resolution specifically provides to the contrary.

Effective September 30, 2013 a new tier was created by Ordinance 2013-18 for all Participants hired on or after October 1, 2013. "Tier 1 Participant" shall mean members who were hired prior to October 1, 2013. "Tier 2" Participant shall mean members who were hired on or after October 1, 2013.

If a Tier 1 Participant separates from service and is rehired within one year from the date of separation, the member shall continue as a Tier 1 Participant. If a Tier 1 Participant separates from service and is rehired more than one year from the date of separation, additional service shall accrue under Tier 2.

**1.21 "Plan":**

shall mean the Retirement Plan and Trust for the Management and General Employees of the Town of Davie, as herein set forth and as may be amended from time to time.

**1.22 "Plan Year":**

shall mean the Plan's accounting year of twelve (12) consecutive months commencing on October 1 of each year and ending the following September 30.

**1.23 "Promoted Management Employee":**

shall mean a General Employee who is promoted to Management Employee status under the Plan. The Plan shall coordinate benefits earned by Promoted Management Employees hired prior to October 1, 2013, as set forth in Section 6.02(3).

**1.24 Intentionally left blank.**

### **1.25 “Salary/Compensation”:**

Salary means the total cash remuneration paid to an employee for services rendered, exclusive of reimbursements, including but not limited to tuition reimbursement, travel reimbursement and Benefit Choice Dollars. Effective 8/3/2016, off-duty details shall be excluded from total cash remuneration.

Total cash remuneration for Management and Non-represented members shall exclude the following: 1) overtime in excess of 300 hours and 2) accrued unused annual or sick leave (“accumulated leave”) in excess of the hours accrued by the Management or Non-represented member as of June 30, 2011 (hereinafter the “effective date”). The number of hours of accumulated leave used to calculate pension benefits for Management and Non-represented members shall be the lesser of the number of hours of accumulated leave on the effective date and the number of hours of accumulated leave on the member’s retirement date.

Total cash remuneration of Represented General Employee members shall exclude the following: 1) overtime in excess of 300 hours and 2) accrued unused annual or sick leave (“accumulated leave”) in excess of the hours accrued by the Represented General Employee member as of September 30, 2012 (hereinafter the “effective date”). The number of hours of accumulated leave used to calculate pension benefits for Represented General Employee members shall be the lesser of the number of hours of accumulated leave on the effective date and the number of hours of accumulated leave on the member’s retirement date.

Compensation in excess of the limitations set forth in Section 401(a)(17) of the Code as of the first day of the calendar year shall be disregarded for any purpose, including employee contributions or any benefit calculations. The annual compensation of each member taken into account in determining benefits or employee contributions for any calendar year beginning on or after January 1, 2002, may not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code.

**1.26 “Spouse”:**

shall mean the lawful wife or husband of a Participant at the time benefits become payable.

**1.27 “Total and Permanent Disability”:**

shall mean a physical or mental condition of a Participant resulting from bodily injury, disease, or mental disorder which renders the Participant incapable of useful and efficient service, and which condition constitutes total disability as determined by the Board.

**1.28 “Trust Fund or Trust”:**

shall mean the Trust Fund established under this Plan to hold Plan assets and to which contributions are to be paid and benefits held. Nothing herein shall preclude the establishment of more than one trust fund as may be required by law or adopted by the Employer.

**1.29 “Trustee”:**

shall mean the person or persons named as and making up the Board of Trustees or Board, who shall administer and manage the Plan.

**1.30 “Useful and Efficient Service”:**

shall mean useful, meaningful and necessary work for the Employer in an available position for which the Participant is reasonably qualified or for which the Participant may be reasonably trained to perform on a regular and continuous basis.

**1.31 “Valuation Date”:**

shall mean the first day of the Plan Year.

### **1.32 “Vested Service”:**

for General Employees, the total number of years and fractional parts of years of service measured from the date of employment for general employees; for Management Employees, the total number of years and fractional parts of years of service measured from the date of employment, for Management Employees hired after October 1, 2003. All Management Employees employed on October 1, 2003 are deemed one hundred percent vested.

## **ARTICLE 2**

### **PARTICIPATION**

#### **2.01 Conditions of Eligibility**

A Participant shall become eligible to participate in this Plan immediately when hired as an eligible full time employee.

#### **2.02 Participation**

Each Participant shall complete a form prescribed by the Board providing the following information:

- (A) enrollment in the Plan
- (B) designation of a beneficiary or beneficiaries,

#### **2.03 Change in Designation of Beneficiary**

A Participant 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 benefits under the Plan shall cease. A change of beneficiary shall not require consent of the beneficiary.



## **ARTICLE 3**

### **BOARD OF TRUSTEES**

#### **3.01 Board of Trustees**

**(A)** A Board of Trustees shall be appointed to provide administrative supervision to ensure proper operation of the Plan. The Trustees shall consist of: two members of the management employees as defined in the Plan document who shall be elected by the management employees; two members of the general employees as defined in the Plan document who have been elected by the general employees and one Town Administrator designee. The initial term of the Board shall be: a one (1) year term for one management employee and one (1) general employee; a two (2) year term for one (1) management employee and one (1) general employee and a three year term for the Town Administrator's designee. Thereafter, each member shall serve a four(4) year term. If that Board member leaves the employee of the Employer as a Participant or otherwise vacates his office as a Board member, whereupon a successor shall be chosen in the same manner as the departing Board member. The Board of Trustees shall meet and shall establish a frequency of meetings. Each Board of Trustees 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. Accurate and detailed accounts of all Board meetings must be kept. All accounts, books and records-relating thereto shall be open to inspection and audit in accordance with general law. The Board shall issue such reports as are requested and make available to the same for inspection any and all records and accounts which are deemed appropriate in order to comply with governmental regulations issued thereunder.

**(B)** The Board members shall, by a majority vote, elect a Chairperson, Vice Chairperson and a Secretary. The Secretary, or other designee of the Board shall keep a complete minute book of the actions, proceeding, or hearings of the Board. The Board members shall not receive any compensation as such, but may receive expenses and per

diem as provided by law. The Vice Chairperson shall conduct meetings in the absence of the Chairperson.

**(C)** Each Board member shall be entitled to one vote on the Board. Decisions by the Board members are determined by majority voting at any meeting of the Board. A Board member shall have the right to abstain from voting as the result of a conflict of interest provided that Board member states in writing the nature of the conflict and complies with the provisions of Section 112.3143, Fl. Stat.

**(D)** The Board shall engage such actuarial, accounting, legal, and other services as shall be required to transact the business of the Plan. The compensation of all persons engaged by the Town Council and all other expenses of the Board necessary for the operation of the Plan shall be paid from the Fund at such rates and in such amounts as the Board of Trustees shall approve.

**(E)** The duties and responsibilities of the Board of Trustees shall include, but not necessarily be limited to, the following:

**(1)** To construe the provisions of the Plan and determine all questions arising thereunder.

**(2)** To determine all questions relating to eligibility and participation.

**(3)** To determine and certify the amount of all benefits hereunder.

**(4)** To establish uniform rules and procedures to be followed for administrative purposes, benefit applications, and all matters required to administer the Plan.

**(5)** To distribute to Participants, at regular intervals, information concerning the Plan, including but not limited to the Summary Plan Description (SPD) and annual benefit statements.

**(6)** To receive and process all applications for participation and benefits.

**(7)** To authorize all payments whatsoever from the Fund, and to notify the disbursing agent, in writing, of approved benefit payments and other expenditures arising through operation of the Plan and Fund.

**(8)** To have performed actuarial studies and at least biennial valuations, and make recommendations regarding any and all changes in the provisions of the Plan.

**(9)** To perform such other duties as required to administer the Plan.

**(10)** Invest and reinvest the assets of the Fund.

**(11)** In any application to or proceeding or action in the courts, the Board and Employer shall be a necessary party, and no Participant or other person having an interest in the Fund shall be entitled to any notice or service of process, unless their rights are directly affected by the action or proceeding. Any judgment entered in such a proceeding or action shall be conclusive upon all persons.

**(12)** Any powers and functions of 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;

**(13)** Trustees are encouraged to avail themselves of educational opportunities consistent with the fiduciary duties assumed by Board members.

## **ARTICLE 4**

### **FINANCES AND FUND MANAGEMENT**

#### **4.01 Establishment and Operation of Fund**

**(A)** As part of the Plan, there is hereby established the Fund, into which shall be deposited all of the contributions and assets whatsoever attributable to the Plan, including any assets of any prior municipal trust fund(s).

**(B)** The actual custody and supervision of the Fund (and assets thereof) shall be vested in the Board. Payment of benefits and disbursements from the Fund shall be made by the disbursing agent but only upon written authorization from the Board or its designee.

**(C)** All funds of the Plan may be deposited by the Board with the Employer, acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he is liable for the safekeeping of funds for the Employer. However, any funds so deposited with the Employer shall be kept in a separate fund by the Employer or clearly identified as such funds of the Plan. In lieu thereof, the Board shall deposit the funds in a qualified public depository as defined in Section 280.02, Fl. Stat., which depository with regard to such funds shall conform to and be bound by all of the provisions of Chapter 280, Fl. Stat. In order to fulfill its investment responsibilities as set forth herein, the Board may retain the services of a custodian bank, an investment adviser registered under the Investment Advisors Act of 1940, or otherwise exempt from such required registration, an insurance company, or a combination of these, for the purpose of investment decisions and management. Such investment manager shall have discretion, subject to any guidelines as prescribed by the Board, in the investment of all Fund assets.

**(D)** All funds of the Plan may be commingled without limitation in governmental investment trusts, no-load investment funds or no-load mutual funds, and all such trusts or funds must comply with the Investment Policy adopted by the Board of Trustees.

Accurate records are to be maintained at all times reflecting the financial composition of the Fund, including accurate current accounts and entries as regards the following:

- (1) Current amounts of Accumulated Contributions of Participants on both an individual and aggregate account basis, and
- (2) receipts and disbursements, and
- (3) benefit payments, and
- (4) current amounts clearly reflecting all monies, funds and assets whatsoever attributable to contributions and deposits from the Employer, and
- (5) all interest, dividends and gains (or losses), and
- (6) such other entries as may be properly required so as to reflect a clear and complete financial report of the Fund.

(E) An independent audit shall be performed annually by a certified public accountant for the most recent fiscal year of the Employer showing a listing of assets and a statement of all income and disbursements during the year. Such income and disbursements must be reconciled with the assets at the beginning and end of the year. Such report shall reflect a complete evaluation of assets on a cost and market basis, as well as other items normally included in a certified audit.

(F) 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 governing body of the Employer to amend or terminate this Plan, provided that no amendment or termination shall ever result in the use of any assets of the Fund except for the payment of regular expenses and benefits under this Plan, and except as otherwise provided in this Plan. All contributions deposited into the Fund, and the income thereof, without distinction between principal and income, shall be held and administered by the Board, or its agent, in the Fund, and the Board shall not be required to segregate or invest separately any portion of the Fund.

**(2)** All monies paid into or held in the Fund shall be invested and reinvested by the Board. The Fund shall be invested in accordance with an established investment policy adopted by the Board.

**(3)** The Board may cause any investment in securities held by it to be registered in or transferred into its name as Trustee or into the name of such nominee as it may direct, or it may retain them unregistered and in a form permitting transferability, but the books and records shall at all times show that all investments are part of the Trust Fund.

**(4)** 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, recapitalization, 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 with the Trustee or with depositories 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 an owner with respect to stocks, bonds, or other investments comprising the Fund which it may deem to be in the best interest of the Fund to exercise.

**(5)** Any overpayments or underpayments from the Fund to a Participant or beneficiary caused by errors of computation shall be adjusted with interest at a rate per annum as utilized in the prior years' actuarial valuation. Overpayments shall be charged against payments next succeeding the correction. Underpayments shall be made up from the Trust Fund.

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

**(7)** Any powers and functions of 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 the Fund always remain with the Board.

## **ARTICLE 5**

### **CONTRIBUTIONS**

#### **5.01 Employee Contribution Rates:**

Effective the first full pay period on or after the ratification date of the 2012-2015 General Employees Collective Bargaining Agreement, all active members shall make regular contributions to the trust fund at a rate equal to one percent (1%) of salary.

Effective October 10, 2013, all active members shall make regular contributions to the trust fund at a rate equal to one and one-half percent (1.5%) of salary.

Effective October 9, 2014, all active members shall make regular contributions to the trust fund at a rate equal to two and one-half percent (2.5%) of salary.

Notwithstanding any other provision of this section, all active members hired on or after October 1, 2013 shall make regular contributions to the trust fund at a rate equal to three percent (3%) of salary.

**Method:** Participant contributions shall be made by payroll deduction. Participant contributions withheld by the Employer on behalf of the Participant shall be deposited in the Fund immediately after each pay period.

**Picked Up Contributions:** The Town shall pick up the employee contributions required above for all salary earned after October 1, 2013. The contributions so picked up shall be treated as contributions being paid by the employer in lieu of contributions by the employee in determining tax treatment under Section 414(h) of the United States Internal Revenue Code. Employee contributions picked up by the Town pursuant to this subsection shall be treated for all other purposes as employee contributions.

### **5.02 Employer Contributions**

So long as this Plan is in effect, the Employer shall deposit at least quarterly contributions for each Plan Year to the Trust Fund in an amount equal to or greater than the amount determined by the Actuary, and the total cost for the Plan Year, as represented in the most recent actuarial valuation of the Plan. The total cost for each Plan Year shall be defined as the total normal cost plus the additional amount sufficient to amortize the unfunded past service liability as provided in Part VII of Chapter 112, Florida Statutes.

### **5.03 Other**

Private donations, gifts and contributions may be deposited to the Fund.



## ARTICLE 6

### BENEFIT AMOUNTS AND ELIGIBILITY

#### **6.01    Normal Retirement Date**

A Participant's Normal Retirement Date shall be the first day of the month coincident with, or next following attainment of age:

For General Employees, the Normal Retirement Date is attainment of age sixty (60) and six (6) years of Vested Service or age fifty-six (56) and thirty (30) years of Vested Service.

For Management Employees, the Normal Retirement Date is attainment of age fifty-two (52) and three (3) years of Vested Service or age forty-eight (48) and twenty (20) years of Vested Service.

For all members hired on or after October 1, 2013, the normal retirement date is the attainment of age sixty-five (65) with ten (10) years of credited service or thirty (30) years of Vested Service and age sixty (60).

A Participant may retire on his Normal Retirement Date or on the first day of any month thereafter. Normal Retirement under the Plan is retirement from employment with the Employer on or after the Normal Retirement Date and completion of the required years of vested service.

#### **6.02    Normal Retirement Benefit**

(1)    *Commencement of Normal Retirement Benefit:* A Participant retiring hereunder on or after his Normal Retirement Date shall receive a monthly benefit as specified below, which shall commence on the first day of the month coincident with or next following his termination of employment.

(2)    *Calculation of Normal Retirement Benefit:* The monthly retirement benefit shall be a single life annuity equal to:

For General Employees hired prior to October 1, 2013, the Normal Retirement Benefit shall be a monthly benefit equal to the number of years of Credited Service multiplied by Average Final Compensation and multiplied by two percent (2%).

For Management Employees hired prior to October 1, 2013, the Normal Retirement Benefit shall be a monthly benefit equal to the number of years of Credited Service multiplied by Average Final Compensation and multiplied by three percent (3%).

For all members hired on or after October 1, 2013, the Normal Retirement Benefit shall be a monthly benefit equal to the number of years of Credited Service multiplied by Average Final Compensation and multiplied by one and eight-tenths percent (1.8%).

In the event that a Participant does not begin to receive his Benefit at his Normal Retirement Date, such Participant shall be entitled to a deferred benefit equal to the benefit he was entitled to receive at his Normal Retirement Date, adjusted to take into account his Average Final Compensation and years of Credited Service as of his actual retirement date.

(3) *Coordination of benefits for Promoted Management Employees:* For Promoted Management Employees hired prior to October 1, 2013, benefits shall be coordinated as follows between Credited Service earned as a General Employee and Credited Service earned as a Management Employee:

(a) *Vesting:* Participants shall be deemed vested after earning three (3) or more years of Credited Service as a Management Employee. Participants with less than three (3) years of Credited Service as a Management Employee shall be deemed vested after earning a total of six (6) years of Credit Service. If a Participant has not earned three (3) or more years of Credited Service as a

Management Employee, Credited Service as a General Employee and as a Management Employee shall be aggregated in order to meet the six (6) year vesting requirement.

(b) *Separate Normal Retirement Dates:* Management Employee benefits shall be paid beginning on the Normal Retirement Date for Management Employees, pursuant to Section 1.19. General Employee benefits shall be paid beginning on the Normal Retirement Date for General Employees, pursuant to Section 1.19.

(c) *Separate Benefit Calculations:* Management Employee benefits shall be calculated using the three percent (3%) multiplier applied to Credited Service as a Management Employee. General Employee benefits shall be calculated using the two percent (2%) multiplier applied to Credited Service as a General Employee.

(d) *Ability to Upgrade prior General Employee Service:* General Employee Participants who are promoted to Management Employee shall be permitted to upgrade their Credited Service as a General Employee to Credited Service as a Management Employee by paying the full actuarial cost of the upgraded service, provided that the Participant independently vests pursuant to subsection (a). Participants may elect to upgrade Credited Service at any time after being promoted, provided that the full actuarial cost is paid by the Participant. Upgraded service may not be used for vesting purposes under subsection (a).

### **6.03 Normal Form of Benefit**

The normal form of benefit shall be a single monthly retirement benefit for life, ceasing upon death. Optional forms of benefits are set forth in Article 10.

#### **6.04 Cost of Living Adjustments to Benefit Payments**

A three percent (3%) cost of living increase is awarded to benefit payments each year a benefit is in force after the benefit has been paid for five (5) years. This increase will begin with the sixty-first payment and adjusted annually.

## **6.05 DEFERRED RETIREMENT OPTION PROGRAM or “DROP”**

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 plan may elect to participate, deferring receipt of retirement benefits while continuing employment with the Town of Davie. The deferred monthly benefits shall accrue in the Trust Fund on behalf of the participant, plus interest compounded annually, for the specified period of the DROP participation, as provided in paragraph (c). Upon termination of employment, the participant shall receive the total DROP benefits and begin to receive the previously determined Normal Retirement Benefits.

### **(a) Eligibility of member to participate in the DROP.**

Effective October 1, 2003, all active members are eligible to elect participation in the DROP for a full five year period once the member reaches Normal Retirement Eligibility.

The member shall advise the Board, in writing of the date on which the DROP shall begin.

### **(b) Participation in the DROP**

1. An eligible member may elect to participate in the DROP for a period not to exceed a maximum of 60 calendar months, provided that the member elects to participate in DROP within five years of the date the member first reaches their Normal Retirement date. A member shall not be eligible to participate in DROP if their DROP election is not received within five years of their Normal Retirement date.

2. Upon deciding to participate in the DROP, the member shall submit, on forms:

- a. A written election to participate in the DROP;
- b. Selection of the DROP participation and termination dates, which satisfy the limitations stated in paragraph (a) and subparagraph 1. Such termination date shall be in a binding letter of resignation with the employer, establishing a deferred termination date. The member may change the termination date within the

limitations of subparagraph 1, but only with the written approval of his or her employer.

c. A properly completed DROP application for service retirement as provided in this section; and

d. Any other information required.

3. The DROP participant shall be a retiree under the Retirement Plan & Trust for the employees of the Town of Davie. However, participation in the DROP does not alter the participant's employment status and such employee shall not be deemed retired from employment until his or her deferred resignation is effective and termination occurs.

### **(c) Benefits payable under the DROP**

1. Effective with the date of DROP participation, the member's initial normal monthly benefit, including creditable service, optional form of payment, and average final compensation, and the effective date of retirement shall be fixed. The beneficiary shall be the beneficiary eligible to receive any DROP benefits payable if the DROP participant dies prior to the completion of the period of DROP participation. In the event a joint annuitant predeceases the member, the member may name a beneficiary to receive accumulated DROP benefits payable. Retirement benefits shall accrue monthly in the Trust Fund. Interest shall accrue at an effective annual rate of 6.5 percent compounded monthly, on the prior month's accumulated ending balance, up to the month of termination or death.

2. The effective date of DROP participation and 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, provided such date is properly established, with the written confirmation of the employer.

3. 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.

4. At the conclusion of the participant's DROP, the TRUST shall distribute the participant's total accumulated DROP benefits, subject to the following provisions:
- a. The terminated DROP participant or, if deceased, such participant's named beneficiary, shall elect on forms 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 days of termination of the DROP, the division will pay a lump sum as provided in sub-sub-subparagraph (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 s. 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 s. 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 s. 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 s. 402(c)(9) of the Internal Revenue Code. The proportions shall be specified by the DROP participant or surviving beneficiary.
  - b. The form of payment selected by the DROP participant or surviving beneficiary complies with the minimum distribution requirements of the Internal Revenue Code.
  - c. A DROP participant who fails to terminate employment shall be deemed not to have retired, and the DROP election shall be null and void. Membership in the plan

shall be reestablished retroactively to the date of the commencement of the DROP.

5. The accrued benefits of any DROP participant, and any contributions accumulated under such program, shall not be subject to assignment, execution, attachment, or to any legal process whatsoever, except for qualified domestic relations orders by a court of competent jurisdiction, income deduction orders and federal income tax levies.
6. DROP participants shall not be eligible for disability retirement benefits.

**(d) Death benefits under the DROP**

1. Upon the death of a DROP participant, the named beneficiary shall be entitled to apply for and receive the accrued benefits in the DROP.
2. 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.
3. 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, Normal Retirement Benefits shall be paid in accordance with regular retirement benefit provisions.
4. A DROP participants' survivors shall not be eligible to receive active member death benefits.

**(e) Forfeiture of retirement benefits**

Nothing in this section shall be construed to remove DROP participants from the scope of s. 8(d), Art. II of the State Constitution, s. **112.3173**. 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.



## **ARTICLE 7**

### **PRE-RETIREMENT DEATH**

#### **7.01 Death Prior to Vesting**

If a General Employee hired prior to October 1, 2013 dies prior to Normal Retirement Date, and has less than six (6) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

If a Management Employee hired prior to October 1, 2013 dies prior to Normal Retirement Date, and has less than three (3) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

If any member hired on or after October 1, 2013 dies prior to Normal Retirement Date, and has less than ten (10) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

#### **7.02 Death After Vesting**

If a General Employee hired prior to October 1, 2013 dies prior to or after Normal Retirement Date, and has completed six (6) or more years of Vested Service, the beneficiary shall receive the benefit otherwise payable to the member at the member's Normal Retirement Date. Alternatively, the beneficiary may elect to receive an actuarially equivalent benefit prior to the Normal Retirement Date.

If a Management Employee hired prior to October 1, 2013 dies prior to or after Normal Retirement Date, and has completed three (3) or more years of Vested Service, the beneficiary shall receive the actuarially equivalent benefit otherwise payable to the member at the member's Normal Retirement Date. Alternatively, the beneficiary may elect to receive an actuarially equivalent benefit prior to the Normal Retirement Date.

If any member hired on or after October 1, 2013 dies prior to or after Normal Retirement Date, and has completed ten (10) or more years of Vested Service, the beneficiary shall receive the benefit otherwise payable to the member at the member's Normal Retirement Date. Alternatively, the beneficiary may elect to receive an actuarially equivalent benefit prior to the Normal Retirement Date.

**7.03 Beneficiaries Receipt of Payment** A Beneficiary may not elect an optional form of benefit, however, the Board may elect to make a lump sum payment pursuant to Article 10(F) to a beneficiary of the death benefits payable hereunder.

## ARTICLE 8

### DISABILITY

#### 8.01 Disability Benefits

(A) *Non-Duty Disability Benefit.*

Any employee who shall become Totally and Permanently Disabled, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a disability benefit. The employee shall bear the burden of proof:

(1) *General Employee Members Hired prior to October 1, 2013:* General Employees, who have completed six (6) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit. If a General Employee has less than six (6) years of Vested Service, they will receive a return of their employee contribution, if applicable, with six percent (6%) interest.

(2) *Management Members Hired prior to October 1, 2013:* Management Employees, who have completed three (3) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit with a minimum of three (3) years Credited Service. If a Management Employee has less than three (3) years of Vested Service, they will receive a return of their employee contribution, if applicable, with six percent (6%) interest.

(3) *Members Hired on or after October 1, 2013:* All members hired on or after October 1, 2013 who have completed ten (10) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit with a minimum of ten (10) years of Credited Service. If a member hired on or after October 1, 2013 has less than ten (10) years of Vested Service, they will receive a return of their employee contributions, if applicable, with six percent (6%) interest.

*(B) Duty Disability Benefit:*

All members, regardless of date of hire, shall be entitled to a duty disability benefit if they become Totally and Permanently disabled in the line of duty, regardless of length of service. The duty disability benefit shall be the accrued benefit, but shall not be less than twenty percent (20%) of Average Final Compensation at the time of disability.

Any employee who shall prove that they become Totally and Permanently Disabled in the line of duty, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a duty disability benefit. The employee shall bear the burden of proof.

**8.02 Conditions Disqualifying Disability Benefits**

Each Participant who is claiming disability benefits shall establish, to the satisfaction of the Board that such disability was not occasioned primarily by:

- (A) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (B) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections, or while committing a crime.
- (C) Injury or disease sustained while serving in any branch of the Armed Forces.
- (D) Injury or disease sustained after his employment as a Participant with the Employer had terminated.
- (E) Pre-existing medical conditions unless the nature of the injury or illness giving rise to the disability would reasonably be expected to give rise to disability in a person without the pre-existing condition.

A duty related disability based upon a mental injury shall not be granted unless it is proven by clear and convincing evidence that the injury was the result of sudden, unexpected and extraordinary stress directly related to the Participant's employment.

### **8.03 Physical Examination Requirement**

A Participant shall not become eligible for disability benefits until and unless he undergoes physical examination by a qualified physician or physicians and/or surgeons or surgeons, who shall be selected by the Board for that purpose. The Board may, but need not, rely on a treating physician as the Board's qualified physician for this purpose.

Any Participant receiving disability benefits under this Plan may be periodically re-examined by a qualified physician or physicians and/or surgeon or surgeons who shall be selected by the Board, to determine if such disability has ceased to exist. If the Board finds that the former Participant is no longer Permanently and Totally Disabled to the extent that he is able to render useful and efficient service, the Board shall recommend to the Employer that the former Participant be returned to performance of duty and shall again become eligible to Participate in the Plan. In the event the former Participant so ordered to return to employment shall refuse to comply with the order within thirty (30) days from the issuance thereof, the Participant shall forfeit the right to his benefits hereunder.

The cost of the physical examination and/or re-examination of the Participant claiming and or receiving disability benefits shall be paid by the Plan. All other reasonable costs as determined by the Board incident to the physical examination, such as, but not limited to, transportation, meals and hotel accommodations, shall be paid by the Plan.

If a Participant recovers from disability and reenters the service of the Employer as a Participant, his service will be deemed to have been continuous, but the period beginning with the first month for which he received a disability retirement income payment and ending with the date he reentered the service of the Employer will not be considered as Credited Service for the purposes of the Plan. The Board shall have the power and authority to make the final decision regarding all disability claims.

#### **8.04 Disability Payments**

The monthly benefit to which a Participant is entitled in the event of the Participant's disability shall be payable on the first day of the first month after the Board determines such entitlement. Provided, however, the Participant may select, at any time prior to the date on which benefit payments begin, an optional form of benefit payment as described in Article 10, Optional Forms of Benefits, which shall be the Actuarial Equivalent of the normal form of benefit. The amount of the first disability payment shall include an amount payable from the date the Board determined such entitlement. Disability benefits shall cease:

(A) If the Participant recovers from the disability prior to his Normal Retirement Date, the payment due next proceeding the date of such recovery, or

(B) If the Participant dies without recovering from disability or attains Normal Retirement Date, the payment due next proceeding his death.

#### **8.05 Disability Payments & Workers Compensation**

If a Participant receives a disability benefit under the Plan and workers compensation benefits pursuant to Chapter 440, Fl. Stat., for the same disability and the total monthly benefits received from both exceed one hundred percent (100%) of the Participants' average monthly wage determined in accordance with Chapter 440, Fl. Stat., the disability pension benefit shall be reduced so that the total monthly amount received by the Participant does not exceed one hundred percent (100%) of such average monthly wage. In the event of a lump sum workers compensation settlement, the disability retirement income payable from the Plan shall be adjusted as follows:

(A) The amount of the lump sum settlement shall be divided by the Participant's remaining life expectancy (in months) as determined using the actuarial assumptions represented in the last completed valuation of the Plan.

(B) If the number obtained in paragraph (A) above, when added to the Participant's monthly disability retirement income from the Plan, exceeds the Participant's final monthly compensation on the date of disability, the amount of the excess shall be

deducted from the Participant's monthly disability retirement income from the pension plan, for the duration of the Participant's remaining life expectancy as determined in paragraph (A) above.

**(C)** If the number obtained in paragraph (A) above, when added to the Participant's monthly disability retirement income from the Plan, does not exceed the Participant's final monthly compensation on the date of disability, there shall be no reduction of the Participant's disability benefit from the plan.

## **ARTICLE 9**

### **VESTING**

If a Participant terminates his employment with the Employer for reasons other than retirement, disability or death, the Participant shall be entitled to the following:

**(A)** General Employees hired prior to October 1, 2013 shall best after the attainment of six (6) years of Vested Service. Management Employees hired prior to October 1, 2013 shall best after three (3) years of vesting service.

(1) If a General Employee has less than six (6) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution with six percent (6%) interest, or the member may leave it deposited with the Fund pending future employment with the Town of Davie. Interest shall not be credited if the Participant elects to keep contributions deposited with the Fund pending future employment.

(2) If a General Employee has six (6) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided he does not elect to withdraw his contributions and provided he survives to his normal or early retirement date.

(3) If a Management Employee has less than three (3) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution with six percent (6%) interest, or the member may leave it deposited with the Fund pending future employment with the Town of Davie. Interest shall not be credited if the Participant elects to keep contributions deposited with the Fund pending future employment.

(4) If a Management Employee has three (3) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided he does not elect to withdraw his contributions and provided he survives to his normal or early retirement date.



For all members (regardless of classification) hired on or after October 1, 2013, if a member has less than ten (10) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution with six percent (6%) interest or the member may leave it deposited with the Fund pending future employment with the Town of Davie. Interest shall not be credited if the Participant elects to keep contributions deposited with the Fund pending future employment.

For all members (regardless of classification) hired on or after October 1, 2013, if a member has ten (10) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal retirement date, provided the member does not elect to withdraw their contributions and provided they survive to their normal or early retirement date.

If a retired Participant who is collecting benefits is rehired, the Participant shall be required to revest in the Plan as a new Member in order to receive additional benefits. To the extent permitted by law, the Participant shall continue to receive monthly benefits earned prior to being rehired.

**(B)** Any vested Participant of the Plan who is no longer eligible to participate in this Plan due to a change of employment, but who remains employed by the Employer in a class not eligible to participate under this Plan, shall have his Accrued Benefit to the date of such termination under this Plan preserved, provided he does not elect to withdraw his Accumulated Contributions from this Plan. Such Accrued Benefit shall be payable at his otherwise Normal Retirement Date hereunder in accordance with the provisions of this Plan.

**(C)** If a Participant who terminates employment prior to his Normal Retirement Date and elects to withdraw Accumulated Contributions, is subsequently reemployed and again becomes a Participant in this Plan, his Credited Service for purposes of vesting and benefit accruals shall not include any periods of employment prior to his reemployment

date unless he repays to the Fund his Accumulated Contributions previously withdrawn with interest, as determined by the Board, within ninety (90) days after reemployment. If a Participant repays the foregoing amount to the Fund within the prescribed time period, the interest of the Participant in his Accrued Benefit previously forfeited shall be restored in full and the Participant's Credited Service shall be based on all periods of employment.

## **ARTICLE 10**

### **OPTIONAL FORMS OF BENEFITS**

**(A)** In lieu of the normal form of benefit as specified herein, a Participant's Normal Retirement or Disability Benefit may be paid in an optional form as selected by the Participant.

Subject to the approval of the Board or its designee, the Participant may elect to receive the Actuarial Equivalent of the benefit otherwise payable to the Participant in accordance with one of the following options:

1. Monthly income payments for the life of the Participant with 120 payments certain.
2. Monthly income payment for the life of the Participant and after his death, a joint pensioner benefit payable for the life of the joint pensioner equal to, 100%, 75%, 66 2/3%, or 50% of the amount payable to the Participant.
3. Such other amount and form of retirement benefit payment that, in the opinion of the Board, will meet the circumstances of the Participant and the Trust.
4. Lump Sum Payments are not allowed.

**(B)** The Participant, upon electing any option pursuant to this Article, will designate the joint pensioner or beneficiary (or beneficiaries) to receive the benefit, if any, payable under the Plan in the event of Participant's death, and will have the power to change such designation from time to time. Such designation will name a joint pensioner or one or more primary beneficiaries where applicable. A Participant may change their Beneficiary at any time. If a Participant has elected an option with a joint pensioner and the Participant's retirement benefits have commenced, the Participant may thereafter change their designated Beneficiary at any time, but may only change their joint pensioner twice. Subject to this restriction, a Participant may substitute a new joint pensioner for a deceased joint pensioner.

**(C)** Upon change of a Participant's joint pensioner in accordance with this Article, the amount of the retirement income payable to the Participant shall be actuarially re-determined to take into account the age of the former joint pensioner, the new joint pensioner and the Participant and to ensure that the benefit paid is the Actuarial Equivalent of the present value of the Participant's then-current benefit at the time of change. Any such Participant shall pay the actuarial recalculation expenses. Each request for a change will be made in writing on a form prepared by the Board and on completion will be filed with the Board. In the event that no designated Beneficiary survives the Participant, such benefits as are payable in the event of the death of the Participant subsequent to his or her retirement shall be paid as provided in Section 11, Beneficiaries.

**(D)** Benefit payments shall be made under the option elected in accordance with the provisions of this Article and shall be subject to the following limitations:

1. If a Participant dies prior to his or her Normal Retirement Date the beneficiary will receive a benefit paid under the normal form of benefit in accordance with Article 7, Pre-Retirement Death.
2. If both the retired Participant and the beneficiary (or beneficiaries) designated by Participant die before full payment has been effected under any option providing for payments for a period certain and life thereafter, the value of the remaining payments shall be paid in such other amount and form of retirement benefit payment that, in the opinion of the Board, will meet the circumstances of the retiree and the Trust in accordance Article 11.
3. If the designated Beneficiary (or Beneficiaries) or joint pensioner dies before the Participant's retirement under the Plan, the option elected will be canceled automatically and a retirement income of the normal form and amount will be payable to the Participant upon their retirement as if the election had not been made, unless a new election is made in accordance with provisions of this Article or a new Beneficiary is designated by the Participant prior to their retirement.

**4.** If a Participant continues employment beyond their Normal Retirement Date, and dies prior to his actual retirement and while an option made pursuant to the provisions of the Plan is in effect, monthly retirement income payments will be made, or a retirement benefit will be paid, under the option to a Beneficiary (or Beneficiaries) designated by the Participant in the amount or amounts computed as if the Participant had retired under the option on the date on which their death occurred.

**(E)** Unless otherwise allowed by law, a Participant may not change their benefit payment option after the date of cashing or depositing their first benefit check.

**(F)** Notwithstanding anything herein to the contrary, the Board in its discretion, may elect to make a lump sum payment to a Participant or a Participant's Beneficiary in the event that the monthly benefit amount is less than one hundred dollars (\$100), or the total commuted value of the remaining monthly income payments to be paid does not exceed five thousand dollars (\$5,000). Any such payment made to any person pursuant to the power and discretion conferred upon the Board by the preceding sentence shall operate as a complete discharge of all obligations under the Plan with regard to such Participant and shall not be subject to review by anyone, but shall be final, binding and conclusive on all persons.

## **ARTICLE 11**

### **BENEFICIARIES**

**(A)** Each Participant may, on a form provided for that purpose, signed and filed with the Board, designate a beneficiary (or beneficiaries) to receive the benefit, if any, which may be payable in the event of their death and each designation may be revoked by such Participant by signing and filing with the Board a new designation-of-beneficiary form. The consent of a Participant's beneficiary to any change of beneficiary shall not be required.

**(B)** If a deceased Participant fails to name a beneficiary in the manner prescribed in Section A, or if the beneficiary (or beneficiaries) named by a deceased Participant predeceases the Participant, the death benefit, if any, which may be payable under the Plan with respect to such deceased Participant shall be paid by the Board to the estate of the Participant, and the Board, in its discretion, may direct that the commuted value of the remaining value of the remaining monthly income benefits be paid in a lump sum in accordance with section 10(f).

Any payment made to any person pursuant to this Section shall operate as a complete discharge of all obligations under the Plan with regard to the deceased Participant and any other persons with rights under the Plan and shall not be subject to review by anyone but shall be final, binding, and conclusive on all persons ever interested hereunder.

## **ARTICLE 12**

### **CLAIMS PROCEDURES**

The Board shall establish administrative claims procedures to be utilized in processing written requests ("claims"), on matters which affect the substantial rights of any person ("claimant"), including Participants, retirees, Beneficiaries, or any person affected by a decision of the Board, which are set forth in Rule 7 of the Board's Operating Rules & Procedures.

## **ARTICLE 13**

**This section intentionally left blank**

## **ARTICLE 14**

### **ROSTER OF RETIREES**

The Secretary of the Board shall keep a record of all persons receiving a benefit or vested Participants who will receive a future vested benefit under the provisions of this Plan in which it shall be noted the time when the benefit became payable. Additionally, the Secretary shall keep a record of all Participants employed by the Employer in such a manner as to show the name, address, date of employment and date such employment is terminated.

## **ARTICLE 15**

### **BOARD ATTORNEY AND PROFESSIONALS**

The Board may employ independent legal counsel at the Fund's expense for the purposes contained herein, together with such other professional, technical, or other advisors, as the Board deems necessary.



## **ARTICLE 16**

### **MAXIMUM PENSION**

**16.01 Basic Limitations** Subject to the adjustments hereinafter set forth, the maximum amount of annual retirement income payable with respect to a Participant under this Plan shall not exceed the dollar amount as may be allowable for any calendar year pursuant to §415(b) of the Code

**16.02 Participation in Other Defined Benefit Plans**

The limitation of this Article with respect to any Participant who at any time has been a Participant in any other defined benefit plan (as defined in §414(j) of the Code) maintained by the Employer shall apply as if the total benefits payable under all defined benefit plans in which the Participant has been a Participant were payable from one Plan.

**16.03 Adjustments in Limitations**

(A) In the event the Participant's retirement benefits become payable before age sixty-two (62), the maximum amount of annual retirement income limitation prescribed by this Article shall be reduced in accordance with Regulations issued by the Secretary of the Treasury, so that such limitation (as so reduced) equals an annual benefit (beginning when such retirement income benefit begins) which is equivalent to the maximum amount of annual retirement income as prescribed by this Article beginning at age 62.

(B) In the event the Participant's benefit is based on at least fifteen (15) years of Credited Service, the adjustments provided for in A. above shall not apply.

(C) The reductions provided for in A. above shall not be applicable to disability benefits, or pre-retirement death benefits.

(D) In the event the Participant's retirement benefit becomes payable after age sixty-five (65), for purposes of determining whether this benefit meets the limitation set forth in Section 16.01 herein, such benefit shall be adjusted so that it is actuarially equivalent to the benefit beginning at age sixty-five (65). This adjustment shall be made using an assumed interest rate of five percent (5%) and shall be made in accordance with regulations promulgated by the Secretary of the Treasury or their delegate.

(E) Less than Ten (10) Years of Service. The maximum retirement benefits payable under this Article to any Participant who has completed less than ten (10) years of Credited Service with the Employer shall be the amount determined under Section 16.01 herein, multiplied by a fraction, the numerator of which is the number of the Participant's years of Credited Service and the denominator of which is ten (10). The reduction provided for in this subsection shall not be applicable to disability benefits or pre-retirement death benefits.

(F) Ten Thousand Dollar \$10,000 Limit. Notwithstanding the foregoing, the retirement benefit payable with respect to a Participant shall be deemed not to exceed the limitations set forth in this Article if the benefits payable, with respect to such Participant under this Plan and under all other qualified defined benefit pension plans to which the Employer contributes, do not exceed ten thousand dollars (\$10,000) for the applicable Plan Year and for any prior Plan Year and the Employer has not at any time maintained a qualified defined contribution plan in which the Participant participated.

(G) Reduction of benefits. Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the Participant's benefit under any defined benefit plans in which Participant participated, such reduction to be made first with respect to the plan in which Participant most recently accrued benefits and thereafter in such priority as shall be determined by the Board and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures for defined contribution plans in which the Participant participated, such reduction to be made first with respect to the plan in which Participant most recently accrued benefits and thereafter in such priority as shall be established by the Board and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the Board and the plan administrator of all other plans covering such Participant.

(H) Cost-of-Living Adjustments. The limitations as stated herein shall be adjusted to the time the payment of a benefit begins, in accordance with any cost-of-living adjustments prescribed by the Secretary of the Treasury pursuant to §415(d) of the Code.

(I) Additional Limitation on Pension Benefits.

Notwithstanding anything herein to the contrary:

(1) the normal retirement benefit or pension payable to a Retiree who becomes a Participant of the Plan on or after January 1, 1980, and who has not previously participated in such Plan, shall not exceed 100 percent of their Average Final Compensation. However, nothing contained in this Article shall apply to supplemental

retirement benefits or to pension increases attributable to cost-of-living increases or adjustments.

(2) no Participant of the Plan shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the Participant is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement plan. This restriction does not apply to social security benefits or federal benefits as provided under federal law.

#### **16.04 Benefit Restoration Plan & Trust**

**(A)** An Employer may fund a Benefit Restoration Plan as permitted under Code Section 415(m) as specified in this Section

#### **(B) Definitions**

**(1) “Information Sheet”:**

is the document executed by the Employer providing specific information as to that Employer.

**(2) “Participant”:**

means an employee of the Employer who is eligible to receive benefits under this Benefit Restoration Plan, under (C).

**(3) “Pensioner”:**

means a former employee of the Employer who is retired and receiving retirement benefits.

**(4) “Benefit Restoration Plan”:**

means the provisions of section 16.04, which is hereby established for the payment of retirement benefits supplementing the Plan benefits as permitted under Code Section 415(m).

(5) **“Benefit Restoration Plan Year”:**

means the limitation year of the Plan under Code Section 415.

(6) **“Plan”:**

means the Retirement Plan and Trust for the Management and General Employees of the Town of Davie, and with respect to which this Benefit Restoration Plan will provide supplemental benefits .

(7) **“Trust”:**

means the trust fund established in section 4.02 of this Benefit Restoration Plan, which shall constitute a separate trust fund from the trust fund maintained under the Plan.

(8) **“Board”:**

means the Board of Trustees of the Plan, serving in the separate capacity as Trustees of this benefit Restoration Plan.

**(C) PARTICIPATION**

(1) All Participants, Pensioners and Beneficiaries of the Plan whose retirement or survivor benefits from that Plan for a Plan Year have been limited by Code Section 415 are eligible to participate in this Benefit Restoration Plan, unless excluded by category under the terms of the Information Sheet.

(2) Participation in the Benefit Restoration Plan is automatic. Any Participant, Pensioner or Beneficiary who is eligible for benefits is entitled to such benefits without the necessity of enrollment. Participation in the Benefit Restoration Plan will cease for any Plan Year in which the retirement benefit of a Pensioner or Beneficiary is not limited by Code Section 415.

**(D) BENEFITS**

**(1) Benefit Amount**

A covered Pensioner or Beneficiary shall receive a monthly benefit equal to the difference between the participant’s monthly retirement benefit otherwise

payable from the Plan prior to any reduction or limitation because of Code Section 415 and the actual monthly retirement benefit payable from the Plan as limited by Code Section 415. The monthly benefit shall be subject to withholding for any applicable income or employment taxes.

**(2) Payment of Benefit**

Benefits under the Benefit Restoration Plan shall be paid only if the Pensioner or Beneficiary is receiving retirement benefits from the Plan.

**(3) Form of Benefit**

The form of the benefit paid to a Pensioner or Beneficiary from the Benefit Restoration Plan shall be the same payable under the Plan.

**(E) CONTRIBUTIONS AND FUNDING**

**(1) Contributions**

(a) The Board, upon the recommendation of the actuary, shall determine the required contributions to pay plan benefits in accordance with (2) below. The required contribution for each Plan Year shall be the total amount of benefits payable under Section 3 to all Pensioners and Beneficiaries, plus such amount as determined by the Board to pay the administrative expenses of the Benefit Restoration Plan and the Employer's share of any employment taxes on the benefits paid from the Plan.

(b) The required contribution as determined by the Board, upon the recommendation of the actuary, shall be paid into the Trust from an allocation of the Employer contribution amounts paid under the Plan.

**(2) Benefit Restoration Plan Trust Fund**

Contributions to the Benefit Restoration Plan shall be deposited in the separate Trust established and administered by the Board. This Trust is intended to be exempt from federal income tax under Code Sections 115 and 415(m)(1). The Trust assets shall be subject to the claims of general creditors of the Employer in the case of bankruptcy.

**(3) Funding Assets**

The benefit liabilities of the Benefit Restoration Plan shall be funded on an as-needed basis. The Trust established under section (2) above shall not be

accumulated to pay benefits payable in future years. Accordingly, any assets of the Trust shall be invested by the Board in short-term investments as the Board may determine to assure preservation of principal rather than the generation of income.

**(4) Non-assignability of Benefits**

The benefits payable under this Benefit Restoration Plan may not be assigned or alienated, except as otherwise permitted for benefits payable by the Plan.

**(5) Amendment and Termination**

The Employer reserves the right to amend this Benefit Restoration Plan at any time. No modification or amendment of the Benefit Restoration Plan shall make it possible for any part of the income or assets of the fund to be used for, or diverted to, purposes other than for the exclusive benefit of the Participants, Pensioners and Beneficiaries, except as set forth in section (2) above.

The Employer reserves the right to discontinue or terminate this Benefit Restoration Plan in whole or in part. Upon a termination of the Benefit Restoration Plan, the Board shall take such steps as the Board determines to be necessary or desirable to comply with applicable laws and to apply any remaining assets.

If, after satisfaction of all liabilities, there is any balance remaining in the fund, such balance shall be refunded to the Employer if not otherwise prohibited by law.

**(F) ADMINISTRATION**

**(1) Benefit Restoration Plan Administration**

The Benefit Restoration Plan shall be administered by the Board. The Board shall have the same authority to administer the Benefit Restoration Plan as exists for the Plan. The Board may delegate any or all of the Board's administrative authority.



**(2) Compliance Authority**

The Board may make modifications to the benefits payable under the Benefit Restoration Plan as may be necessary to maintain its qualified status under Code Section 415(m).

**(3) No Liability for Benefits**

Since this Benefit Restoration Plan is not intended to accumulate funds, the Benefit Restoration Plan shall not be liable for the payment of any benefits except to the extent of funds actually received from the Employer and not previously distributed or applied to pay Benefit Restoration Plan expenses.

**(4)** This Benefit Restoration Plan shall be construed, administered and governed in all respects by the laws of the State of Florida.

**(G) EFFECTIVE DATES**

The Board shall pay benefits under the Benefit Restoration Plan beginning on or after the date specified on the Information Sheet.

## **ARTICLE 17**

### **DISTRIBUTION OF BENEFITS**

As of the Effective Date, this Plan shall pay all benefits in accordance with a good faith interpretation of the requirements of Code Section 401(a)(9) and the regulations promulgated thereunder, as applicable to a governmental plan as defined in Code Section 414(d). Notwithstanding any other provision of this Plan to the contrary, a form of retirement income payable from this Plan shall satisfy the following conditions:

**(A)** If the retirement income is payable before the Participant's death,

**(1)** It shall either be distributed or commence to the Participant not later than April 1 of the calendar year following the later of the calendar year in which the Participant attains age seventy and one-half (70½), or the calendar year in which the Participant retires; and,

**(2)** the benefit shall be paid over the life of the Participant or over the lifetimes of the Participant and designated beneficiary and shall be paid over the period extending not beyond the life expectancy of the Participant and designated beneficiary

Where benefit payments have commenced in accordance with the preceding paragraphs and the Participant dies before their entire interest in the Plan has been distributed, the remaining portion of such interest in the Plan shall be distributed no less rapidly than under the form of distribution in effect at the time of the Participant's death.

**(B)** If the Participant's death occurs before the distribution of their interest in the Plan has commenced, the Participant's entire interest in the Plan shall be distributed within five (5) years of the Participant's death, unless it is to be distributed in accordance with the following rules:

**(1)** The Participant's remaining interest in the Plan is payable to their designated beneficiary.

(2) The remaining interest is to be distributed over the life of the designated beneficiary over a period not extending beyond the life expectancy of the designated beneficiary; and

(3) Such distribution begins within one year of the Participant's death unless the Participant's spouse shall receive the remaining interest in which case the distribution need not begin before the date on which the Participant would have attained age seventy and one-half (70½), and if the spouse dies before the distribution begins, this Article shall be applied as if the spouse were the Plan Participant.

**(C) Direct Transfers of Eligible Rollover Distributions**

(1) This paragraph applies to distributions made on or after January 1, 1993. Notwithstanding any provisions of the Plan to the contrary that would otherwise limit a distributee's (as defined below) election under this paragraph, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution (as defined below) paid directly to an eligible retirement plan (as defined below) specified by the distributee in a direct rollover (as defined below).

(2) For purposes of this paragraph, the following terms shall have the following meanings:

(i) 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: 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 ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9), and the portion of any distribution that is not included in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

**(ii)** An “eligible retirement plan” is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), or a qualified trust described in Code Section 401(a), that accepts the distributee’s eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

**(iii)** A “distributee” includes an Employee or former Employee. In addition, the Employee’s or former Employee’s surviving spouse is a distributee with regard to the interest of the spouse. For distributions occurring in plan years beginning after December 31, 2009 (or in any earlier plan year beginning after December 31, 2006), a distributee also includes the Participant’s non-spouse designated beneficiary. In the case of a non-spouse beneficiary, the direct rollover may be made only to a traditional IRA or Roth IRA that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of § 402(c)(11). Also, in this case, the determination of any required minimum distribution under § 401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

**(iv)** A “direct rollover” is a payment by the Plan to the eligible retirement plan specified by the distributee.

## **ARTICLE 18**

### **MISCELLANEOUS PROVISIONS**

#### **18.01 Interest of Participants in Plan**

At no time prior to the satisfaction of all liabilities under the Plan with respect to Participants and 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. No plan amendment or ordinance shall be adopted by the Employer which shall have the effect of reducing the then vested accrued benefits of Participants or Participants' beneficiaries under the Plan.

#### **18.02 Summary Plan Descriptions**

The Summary Plan Description outlining the provisions of this Plan was designed only to give a brief description of the benefit provided and does not include all the provisions or exclusions in the Plan Document. If the Summary Plan Description disagrees with the Plan herein in any way, the Plan Document will govern.

#### **18.03 Gender and Number**

Wherever any words are used in the masculine, feminine or neutral gender, they shall be construed as though they were also used in another gender in all cases where they would apply. Whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would apply.

#### **18.04 Headings and References**

All headings and references to sections, subsections, paragraphs, etc., in this Plan are inserted for convenience only and shall not affect the construction or interpretation of this Plan.

#### **18.05 Benefit Improvements**

Benefit improvements which, in the past, have been provided for by amendments to the Plan adopted by the Employer by ordinance or resolution, and any benefit improvements which might be made in the future, shall apply prospectively and shall not apply to Participants who terminate employment or who retire prior to the effective date of any ordinance or resolution adopting such benefit improvements, unless such ordinance or resolution specifically provides to the contrary.

#### **18.06 Procedure for Unclaimed Benefit**

If the Board is unable, within ten years after any benefit becomes due to a Participant or Beneficiary under the Plan, to authorize payment because the identity or whereabouts of such person cannot be ascertained, the Board may direct that such benefit and all further benefits with respect to such person shall be forfeited and all liability for the payment thereof shall terminate.

#### **18.07 Qualified Military Service:**

Notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with § 414(u) of the Code.

Consistent with the Heroes Earning Assistance and Relief Tax (HEART) Act, a deceased person's period of qualified military service will be credited service under the Plan.

If a Participant dies while engaged in qualified military service, the Participant's beneficiaries shall be entitled to any benefits the Participant would have been entitled to as if the Participant had resumed employment immediately prior to his or her death in accordance with the Heroes Earning Assistance and Relief Tax (HEART) Act, and any regulations promulgated thereunder.

#### **18.08 Domestic Relations Order Submission:**

- (A) Prior to the entry of any domestic relations order which affects or purports to affect the Fund's responsibilities in connection with the payment of benefits, that order should be submitted through the Fund's administrator for review as to whether the Fund may honor it.
- (B) If the domestic relations order is not submitted to the administrator for review prior to entry, and the Fund is ordered to take action that it may not legally take, and the Fund expends administrative or legal fees in resolving the matter, the Participant who submitted the domestic relations order will be required to reimburse the Fund its expenses in connection with the order.
- (C) The administrator may develop rules or regulations concerning what the Fund will consider to determine if a domestic relations order may be complied with by the Fund.
- (D) Upon request, the Board's actuary will be available to provide divorce calculations, but the member shall be responsible for paying the cost of such calculations, including benefit recalculations, which shall be performed on an actuarial equivalent basis.
- (E) The treatment of former spouse beneficiaries shall be governed by HB 401, Chapter 2012-148.

#### **18.09 Option to Purchase Prior Credited Service**

Credited Service may be purchased for all years of service with the Town of Davie at actual actuarial cost. Up to five (5) years of credited service may be purchased for previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie, provided that no retirement benefits were provided for such previous full-time employment with the federal government, including military service, or any state, county, or city. Any participant who elects to purchase service as provided in this paragraph shall pay the full actuarial cost of such credited service on or before three (3) months from the date of the past service cost calculation prepared by the Plan actuary. Full payment for the purchase of past service

credit must be made before separation from Town employment. If full payment is not made by time of separation, credited service shall be based on amount of payment received.

### **MANAGEMENT AND NON-REPRESENTED GENERAL EMPLOYEES**

Credited service shall include credited service purchased by a member in accordance with this section:

(A) Participants who were employed in a position covered by the Plan prior to October 1, 2003, may purchase up to five (5) additional years of credited service under the Plan for all or a portion of their previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie. Any participant who elects to purchase previous full-time employment with the federal government, including military service, or any state, county or city government other than the Town of Davie, shall pay the full actuarial cost of such credited service on or before three (3) months from the date of the past service cost calculation prepared by the Plan actuary, in accordance with subsection (c) below. Notwithstanding the foregoing, any participant who was previously a member of the Plan and reenters the Plan shall not be obligated to purchase credited service previously credited within the Plan; previously credited service within the Plan shall be reinstated for such members.

(B) Participants with a hire date after October 1, 2003, may purchase up to five (5) additional years of credited service at any time within the first five (5) years of employment provided the member has paid into the plan the full actuarial cost of such credited service as determined by the plan actuary. No additional service credit will be allowed if the participant is receiving or will receive any other retirement benefit based on the prior government service.

(C) Payment for the purchase of credited service authorized in subsection (a) and (b), above, shall be made in one of the following manners:



1. Cash lump sum payment; or
2. Direct transfer or rollover of an eligible rollover distribution from a qualified Plan.

### **REPRESENTED GENERAL EMPLOYEES**

(A) Participants who were employed in a position covered by the Plan prior to October 1, 2006, may purchase up to five (5) additional years of credited service under the Plan for all or a portion of their previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie. Any participant who elects to purchase previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie, shall pay the full actuarial cost of such credited service on or before three (3) months from the date of the past service cost calculation, in accordance with subsection (c) below. Notwithstanding the foregoing, any participant who was previously a member of the Plan and reenters the Plan shall not be obligated to purchase credited service previously credited within the Plan; previously credited service within the Plan shall be reinstated for such members.

(B) Participants with a hire date after October 1, 2006, may purchase up to five (5) additional years of credited service within the first five (5) years of employment with the Town of Davie, provided the member has paid into the plan the full actuarial cost of such credited service as determined by the plan actuary. No additional service credit will be allowed if the participant is receiving or will receive any other retirement benefit based on the prior government service.

(C) Payment for the purchase of credited service authorized in subsection (a) and (b) above, shall be made in one of the following manners:

1. Cash lump sum payment; or
2. Direct transfer or rollover of an eligible rollover distribution from a qualified Plan.

(D) Management Employees who have been promoted from a General Employee position: If a Management Employee, as defined by Section 1.18.1, previously purchased credited service prior to being promoted, the Management Employee shall be provided the opportunity to pay the additional full actuarial cost to upgrade the prior service in order to obtain the Management Employee benefit corresponding to the prior service.

#### **18.10 Buyback Refunds**

Following the purchase of Credited Service, a vested member shall not be entitled to a refund of their buyback contribution, unless the member agrees in writing to forfeit their entire benefit.

## **ARTICLE 19**

### **REPEAL OR TERMINATION OF PLAN**

**(A)** This Plan and Fund may be modified, terminated, or amended, in whole or in part at any time by the Employer; provided that if this Plan or any subsequent ordinance or resolution 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 Participant or beneficiary shall not be affected thereby, except to the extent that the assets of the Fund may be determined to be inadequate.

**(B)** If this Plan shall be repealed, or if contributions to the Plan are discontinued, or if there is a transfer, merger or consolidation of government units, services or functions as provided in Chapter 121, Fl. Stat., the Board shall continue to administer the Plan in accordance with the provisions of this Plan, for the sole benefit of the then Participant's, any beneficiaries then receiving retirement allowances, and any future persons entitled to receive future benefits. In the event of repeal, termination or permanent discontinuance of contributions due to transfer, merger or consolidation of government units, services or functions, there shall be full vesting (100%) of benefits accrued to date of repeal and the assets of the Plan shall be allocated in an equitable manner to provide benefits on a proportionate basis to the persons so entitled in accordance with the provisions thereof.

**(C)** The following shall be the order of priority for purposes of allocating the assets of the Plan as of the date of repeal of this Plan, or if contributions to the Plan are discontinued with the date of such discontinuation being determined by the Employer.

**(1)** Apportionment shall first be made in respect of each retired Participant receiving a retirement or disability benefit hereunder on such date, each person receiving a benefit on such date on account of a retired or disabled (but since deceased) Participant, and each Participant who has, by such date, become eligible for normal retirement but has not yet retired, an amount which is the actuarial equivalent of such benefit, based upon the actuarial assumptions in use

for purposes of the most recent actuarial valuation, provided that, if such asset value be less than the aggregate of such amounts, such amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such asset value.

**(2)** If there be any asset value remaining after the apportionment under paragraph 1, apportionment shall next be made in respect of each Participant in the service of the Employer on such date who has completed at least ten (10) Years of Credited Service and who is not entitled to an apportionment under paragraph 1, in the amount required to provide the Actuarial Equivalent, as described in paragraph 1 above, of the accrued Normal Retirement Benefit, based on the Credited Service and Salary as of such date, and each vested former Participant then entitled to a deferred benefit who has not, by such date, begun receiving benefit payments, in the amount required to provide said Actuarial Equivalent of the accrued Normal Retirement Benefit, provided that, if such remaining asset value is less than the aggregate of the amounts apportioned hereunder, such latter amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

**(3)** If there be any asset value after the apportionments under paragraph 1 and 2 above, apportionment shall be made in respect of each Participant in the service of the Employer on such date who is not entitled to an apportionment under paragraphs 1 and 2 above in the amount equal to Participant's Accumulated Contributions, provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder, such latter amount shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

**(4)** If there be any asset value remaining after the apportionments under paragraphs 1, 2, and 3 above, apportionment shall lastly be made in respect of each participant included in paragraph 3 above to the extent of the Actuarial

Equivalent, as described in paragraph 1 above, of the accrued Normal Retirement Benefit, less the amount apportioned in paragraph 3 above, based on the Credited Service and Average Final Compensation as of such date, provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder, such amounts shall be reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

**(5)** In the event that there be asset value remaining after the full apportionment specified in paragraphs 1, 2, 3, and 4 above, such excess shall be returned to the Employer, less return of the State's contributions to the State, provided that, if the excess is less than the total contributions made by the Employer and the State to the date of termination such excess shall be divided proportionately to the total contributions made by the Employer and the State.

The allocation of the Fund provided for in this subsection may, as decided by the Board and the Employer 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 and the Employer may direct. The Trust may be continued in existence for purposes of subsequent distributions.

**(6)** After all the vested and accrued benefits provided hereunder have been paid and after all other liabilities have been satisfied, then and only then, shall any remaining funds be reverted to the Employer.

## **ARTICLE 20**

### **EXEMPTION FROM EXECUTION, NON-ASSIGNABILITY**

The pensions, annuities, or any other benefits accrued or accruing to any person under the provisions of this Plan, the Accumulated Contributions and the assets in the Fund created under this Plan are exempt from any state, county or municipal tax of the state and shall not be subject to execution, attachment, garnishment or any legal process whatsoever and shall be unassignable.

## **ARTICLE 21**

### **FORFEITURE OF PENSION: CONVICTION AND FORFEITURE**

Any Participant who is convicted of the any of the following offenses committed prior to retirement, or whose employment is terminated by reason of his admitted commission, aid or abetment of the following specified offenses, shall forfeit all rights and benefits under this Plan, except for the return of his Accumulated Contributions as of the date of termination.

**(A)** Specified offenses include the following, as may be amended by the Florida Legislature :

- (1)** the committing, aiding or abetting of an embezzlement of public funds;
- (2)** the committing, aiding or abetting of any theft by a public officer or employee from the employer;
- (3)** bribery in connection with the employment of a public officer or employee;
- (4)** any felony specified in Chapter 838, Florida Statutes;
- (5)** the committing of an impeachable offense;
- (6)** the committing of any felony by a public officer or employee who willfully and with intent to defraud the public or the public agency, for which he acts or in which he is employed, of the right to receive the faithful performance of his duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or for some other person through the use or attempted use of the power, rights, privileges, duties or position of his public office or employment position, or;
- (7)** any other forfeitable offense set forth in Section 112.3173, Florida Statutes

**(B)** Conviction shall be defined as follows: An adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.

**(C)** Court shall be defined as follows: any state or federal court of competent jurisdiction, which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the Board shall hold a hearing on which notice shall be given to the Participant whose benefits are being considered for forfeiture. Said Participant shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the Participant shall be afforded a full opportunity to present his case against forfeiture.

**(D)** Any Participant who has received benefits from the Plan in excess of his Accumulated Contributions after Participant's rights were forfeited pursuant to this section shall be required to pay back to the Fund the amount of the benefits received in excess of his Accumulated Contributions. The Board may implement all legal action necessary to recover such funds.

**(E)** As provided in the Florida Statutes, it is unlawful for a person to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the Plan. A person who commits a crime is punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

**(F)** In addition to any applicable criminal penalty upon conviction for a violation described in paragraph (E), a Participant or Beneficiary of the Plan may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which the person would be otherwise be entitled under the Plan. For purposes of this paragraph (F) "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.



## **ARTICLE 22**

### **PENSION VALIDITY**

The Board shall have the power to examine and investigate 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. The Board is empowered to purge the pension rolls or correct the pension amount of any person heretofore granted a pension under prior or existing law or any person hereafter granted a pension under this Plan if the same is found to be erroneous, fraudulent or illegal for any reason, and to reclassify any person who has heretofore under any prior or existing law been or who shall hereafter under this Plan be erroneously, improperly or illegally classified. Any overpayments or under payments shall be corrected and paid or repaid in a reasonable manner determined by the Board.

**FLORIDA MUNICIPAL PENSION TRUST FUND  
MASTER TRUST AGREEMENT**

*As Amended and Restated November 29, 2018*

THIS AGREEMENT made effective as of *November 29, 2018*, amends and restates the Agreement dated as of December 16, 1983, and as previously amended and restated as of June 1, 2006 (“Agreement”), by and between all of the parties who are now or may hereafter become Participating Employers in the Florida Municipal Pension Trust Fund and the individuals named as Master Trustees pursuant to Section 109 hereof and their successors (such individuals collectively referred to as the “Master Trustees”).

W I T N E S S E T H:

WHEREAS, the Florida Constitution, Article VIII, Section 2(b), provides, in part, that municipalities shall have governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions and render municipal services, and may exercise any power for municipal purposes except as otherwise provided by law, and

WHEREAS, Section 166.021, Florida Statutes, provides, in part, that municipalities shall have the governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes, except when expressly prohibited by law, and further defines a municipal purpose to mean any activity or power which may be exercised by the State or its political subdivisions, and

WHEREAS, in Greene v. Gray, 87 So.2d 504 (Fla. 1956), the Florida Supreme Court held public pension plans serve a public purpose, and

WHEREAS, Section 163.01, Florida Statutes, provides that a public agency of the State may exercise jointly with any other public agency of the State any power, privilege or authority which such agencies share in common, for the purpose of permitting local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage, and

WHEREAS, the initial Master Trustees established the Master Trust Fund for the purpose of receiving, holding, investing, reinvesting, managing, administering and distributing the assets of employee benefit plans maintained by Participating Employers for the exclusive benefit of eligible employees and their beneficiaries, including, without limitation, contributions by Participating Employers to such plans, and

WHEREAS, the Participating Employers with a defined benefit pension plan or plans will execute a covenant or agreement whereby each Participating Employer will covenant and agree that they will deposit their required plan contributions in the Master Trust Fund, based upon appropriate actuarial analysis of benefits or applicable agreement, and out of which lawful and proper claims are to be paid, that there will be no disbursements out of the Master Trust Fund by

way of dividends or distribution of accumulated reserves to the respective Participating Employers, and that they will make expense payments as required for plan design and administration, and

WHEREAS, the Participating Employers with a defined contribution pension plan or plans or with a deferred compensation plan or plans will execute a covenant or agreement to participate in the Master Trust Fund in accordance with the terms of this Agreement, and

WHEREAS, the Participating Employers with a post-employment benefit plan or plans other than a pension plan or plans will execute a covenant or agreement that they will deposit their contributions in the Master Trust Fund, based upon appropriate actuarial analysis of benefits or applicable agreement, and out of which lawful and proper claims are to be paid, that they will covenant and agree that there will be no disbursements out of the Master Trust Fund by way of dividends or distribution of accumulated reserves to the respective Participating Employers, and that they will make expense payments as required for plan design and administration.

NOW, THEREFORE, the parties hereto mutual agree as follows:

### **PART 1- GENERAL PROVISIONS**

#### Section 100. APPLICATION.

The provisions of Part I are general administrative provisions applicable to each Part of this Agreement.

#### Section 101. DEFINITIONS.

The following definitions shall apply to each Part of this Agreement, unless the context of the term indicates otherwise, and shall govern the interpretation of this Agreement:

A. Administrator. The term “Administrator” shall mean the Florida League of Cities, Inc. or any successor designated by the Master Trustees to administer the Master Trust Fund and the Plans.

B. Beneficiary. The term “Beneficiary” shall mean a person designated by a Participating Employee to be entitled to a Benefit in case of death of the Participating Employee in accordance with the terms of the applicable Plan.

C. Benefits. The term “Benefits” shall mean any and all benefits provided for Participating Employees and their Beneficiaries payable from the assets of the Master Trust Fund or the assets of a Plan, or the policies of insurance providing for such payments, or both, upon certification by the Participating Employer of eligibility for such benefits.

D. Custodian. The term “Custodian” shall mean the banks, mutual funds, insurance companies or other qualified entities selected by the Master Trustees, under a separate written document with each, to hold the assets of the Master Trust Fund or the assets of any Plan.

E. Deferred Compensation Plan Trust. The term “Deferred Compensation Plan Trust” shall mean the trust created herein that holds the assets of the participating deferred compensation plans.

F. Defined Benefit Pension Plan Trust. The term “Defined Benefit Pension Plan Trust” shall mean the trust created herein that holds the assets of the participating defined benefit pension plans.

G. Defined Contribution Pension Plan Trust. The term “Defined Contribution Pension Plan Trust” shall mean the trust created herein that holds the assets of the participating defined contribution pension plans.

H. Employee. The term “Employee” shall mean the employees and officials of each Employer under a classification established by each Employer and accepted by the Master Trustees.

I. Employer. The term “Employer” shall mean every municipality established within, or public agency or political subdivision of, the State of Florida or, where appropriate, the local board of trustees established pursuant to applicable law.

J. Investment Policy. The term “Investment Policy” shall mean the Florida Municipal Pension Trust Fund Investment Policy, as amended.

K. IRC. The term “IRC” shall mean the Internal Revenue Code of 1986, as amended, and, as relevant in context, the Internal Revenue Code of 1954, as amended.

L. Master Trust Fund. The term “Master Trust Fund” shall mean the Florida Municipal Pension Trust Fund, comprised of all of the assets of the Defined Benefit Pension Plan Trust, Defined Contribution Pension Plan Trust, Deferred Compensation Plan Trust and Other Post-Employment Benefit Plan Trust, which shall include all assets of the Plans.

M. Master Trustees. The term “Master Trustees” shall mean the individuals who serve as trustees of the Master Trust Fund pursuant to Section 109 hereof and their successors.

N. Open Architecture Investment. The term “Open Architecture Investment” shall mean a Participating Employer that has been acknowledged through the Trust Joinder Agreement to select and oversee the investment options under and for the FMPTF 401(a) Defined Contribution Retirement plan and/or FMPTF 457(b) Deferred Compensation plan, rather than using the investment options selected by the Master Trustees. Under Open Architecture Investment, the Master Trustees and Plan Administrator are responsible for only the administrative services provided to the Defined Contribution Retirement plan and/or the Deferred Compensation plan.

O. Other Post-Employment Benefit Plan Trust. The term “Other Post-Employment Benefit Plan Trust” shall mean the trust created herein that holds the assets of the participating post-employment benefit plans other than pension plans.

P. Participating Employee. The term “Participating Employee” shall mean any eligible Employee of a Participating Employer.

Q. Participating Employer. The term “Participating Employer” shall mean an Employer which becomes a party to this Agreement by executing a Trust Joinder Agreement as provided in Section 102 hereof.

R. Plans. The term “Plans” shall mean the defined benefit pension plan or plans, the defined contribution pension plan or plans, the deferred compensation plan or plans and the post-employment benefit plan or plans other than pension plans, which are maintained by Participating Employers pursuant to any applicable statute, regulation, ordinance, resolution, plan, program, policy, agreement, understanding or other arrangement for the benefit of eligible employees and their beneficiaries.

S. State. The term “State” shall mean the State of Florida.

#### Section 102. PARTICIPATING EMPLOYERS.

A. Approval. The Master Trustees shall be the sole judge of whether an Employer is eligible to become a Participating Employer. The Master Trustees may delegate the ministerial authority for membership approval to the Administrator.

B. Trust Joinder Agreement. Each Employer makes its election to become a Participating Employer by executing a Trust Joinder Agreement in such form and intent as provided by the Master Trustees. By executing the Trust Joinder Agreement, the Employer agrees to be bound by all the terms and provisions of this Agreement, the Trust Joinder Agreement and all rules and regulations adopted by the Master Trustees under this Agreement.

C. Continuing as a Participating Employer. A Participating Employer shall be entitled to continue to be a Participating Employer as determined from time to time by the Master Trustees.

#### Section 103. MANAGEMENT OF ASSETS OF THE MASTER TRUST FUND.

A. Authority of Master Trustees. Except as set forth in subsections B, C, D, E, or H of this Section, and except as otherwise provided by law, the Master Trustees shall have exclusive authority and discretion to manage and control the assets of the Master Trust Fund held by them pursuant to the guidelines established by the Master Trustees in the Investment Policy.

B. Investment Managers. The Master Trustees, from time to time, may appoint one (1) or more independent Investment Managers (“Investment Manager”), pursuant to a written investment management agreement with each, describing the powers and duties of the Investment Manager to invest and manage all or a portion of the Master Trust Fund. The Investment Manager shall have the power to direct the management, acquisition or disposition of that portion of the Master Trust Fund for which the Investment Manager is responsible.

The Master Trustees shall be responsible for ascertaining that each Investment Manager, while acting in that capacity, satisfies the following requirements:

1. The Investment Manager is either (i) registered as an investment adviser under the Investment Advisers Act of 1940, as amended; (ii) a bank as defined in that Act; (iii) an insurance company qualified to perform the services described herein under the

laws of more than one state; or (iv) a pooled investment program for governmental entities created pursuant to Section 163.01, Florida Statutes; and

2. The Investment Manager has acknowledged in writing to the Master Trustees that it is a fiduciary with respect to the Plan or Plans with assets in the portion of the Master Trust Fund for which the Investment Manager has responsibility for management, acquisition or disposition.

C. Investment Manager Duties. Subject to the approval of the Master Trustees, each Investment Manager shall establish and carry out an investment policy and method for the portion of the Master Trust Fund for which it is responsible that is consistent with the objectives of the Investment Policy and the particular Plan or Plans with assets in the portion of the Master Trust Fund for which the Investment Manager has responsibility for management, acquisition or disposition. At least annually, the Investment Manager shall review its investment policy and method with the Master Trustees. The Investment Manager shall also make investments in a manner that is consistent with applicable law, and, as advised by the Administrator, the cash requirements of the Plans.

Each Investment Manager shall no less than annually or at the request of the Master Trustees certify the value of any securities or other property of the Master Trust Fund managed by such Investment Manager. The Master Trustees shall be entitled to rely conclusively upon such valuation for all purposes under the trust for the Plans.

D. Absence of Master Trustees' Responsibility for Investment Manager. The Master Trustees shall not be liable for any act or omission of any Investment Manager and shall not be under any obligation to invest or otherwise manage the assets of the Master Trust Fund or of the Plans that are subject to the management of any Investment Manager. Without limiting the generality of the foregoing, the Master Trustees shall not be liable by reason of their taking or refraining from taking at the direction of any Investment Manager any action pursuant to this Section, or pursuant to a notification of an order to purchase or sell securities issued by any Investment Manager, nor shall the Master Trustees be liable by reason of their refraining from taking any action because of the failure of any Investment Manager to give such direction or order; the Master Trustees shall be under no duty to question or to make inquiries as to any direction or order or failure to give any direction or order by any Investment Manager; the Master Trustees shall be under no duty to make any review of an investment acquired for any investment fund at the direction or order of any Investment Manager; and the Master Trustees shall be under no duty at any time to make any recommendation with respect to disposing of or continuing to retain any such investment.

E. Investment of Chapters 175 and 185 Funds. To the extent the Master Trustees determine that delegation of investment authority to Participating Employers with a defined benefit plan or plans is required pursuant to Chapters 175 or 185, Florida Statutes, then such powers as set forth in paragraph A of this Section shall be so delegated.

F. Reporting. The Master Trustees shall be responsible for and shall cause to be filed such annual or periodic audits, valuations, reports and disclosures as are required by law or agreements.

The Master Trustees may employ professional advisors to prepare such audits, valuations, reports and disclosures and the cost of such professional advisors shall be borne by the Master Trust Fund.

G. Commingling Assets. Except to the extent prohibited by applicable law, the Master Trustees may commingle the assets of all Participating Employers and Participating Employees held by the Master Trustees under this Agreement for investment purposes in the Master Trust Fund and shall hold the Master Trust Fund in trust and manage and administer the same in accordance with the terms and provisions of this Agreement and the Plans. However, the assets of Participating Employers and Participating Employees in the various trusts included in the Master Trust Fund shall be accounted for separately. The Master Trustees and the Administrator shall be under no duty to determine whether the amount of any contribution is in accordance with the Plans, or to collect or enforce payment of any contribution. Separate investment funds within the Master Trust Fund and varying percentages of investment in any such separate investment fund by the Participating Employers and Participating Employees, to the extent so determined by the Master Trustees, are expressly permitted.

H. Open Architecture Investment. Notwithstanding any provisions of this Agreement to the contrary, a Participating Employer that has been acknowledged through the Trust Joinder Agreement may elect Open Architecture Investment. If a Participating Employer selects Open Architecture Investment, the Participating Employer will be responsible for selecting and overseeing Plan investment option(s), including default option(s), rather than using the investment options selected by the Master Trustees. Notwithstanding any provisions of this Agreement to the contrary, a Participating Employer acknowledges by the selection of Open Architecture Investment that neither the Plan Administrator nor the Master Trustees have any responsibility for and shall not have any liability relating to the selection or oversight of Plan investment options. The Master Trustees shall have no fiduciary duty or any liability for an investment option or any loss sustained by a Participating Employer, Participating Employee, Beneficiary, or Alternate Payee whose Account in whole or in part is invested through Open Architecture Investment.

#### Section 104. ADMINISTRATIVE POWERS AND DUTIES.

A. Administrator. The Administrator shall serve as Secretary-Treasurer of the Master Trust Fund and shall have the power and authority to implement policy matters set by the Master Trustees as they relate to the on-going operation and supervision of the Master Trust Fund and the provisions of this Agreement and applicable law.

B. Master Trustees. The Master Trustees shall have and in their sole and absolute discretion may exercise from time to time and at any time, either through their own actions or through a Custodian selected by the Master Trustees, the following administrative powers and authority with respect to the Master Trust Fund.

1. To continue to hold any property of the Master Trust Fund that becomes otherwise unsuitable for investment for as long as the Master Trustees in their discretion deem desirable; to reserve from investment and keep unproductive of income, without liability for interest, cash temporarily awaiting investment and such cash as they deem

advisable, or as the Administrator from time to time may specify, in order to meet the administrative expenses of the Master Trust Fund or anticipated distributions therefrom.

2. To hold property of the Master Trust Fund in their own names or in the name of a nominee or nominees, without disclosure of the trust, or in bearer form so that it will pass by delivery, but no such holding shall relieve the Master Trustees of their responsibility for the safe custody and disposition of the Master Trust Fund in accordance with the provisions of this Agreement; the books and records of the Master Trustees shall show at all times that such property is part of the Master Trust Fund and the Master Trustees shall be absolutely liable for any loss occasioned by the acts of their nominee or nominees with respect to securities registered in the name of the nominee or nominees.

3. To organize and incorporate under the laws of any state they may deem advisable one or more corporations (and to acquire an interest in any such corporation that they may have organized and incorporated) for the purpose of acquiring and holding title to any property, interests or rights that the Master Trustees are authorized to acquire under Section 103 hereof.

4. To employ in the management of the Master Trust Fund suitable agents, without liability for any loss occasioned by any such agents selected with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

5. To make, execute and deliver, as trustee, any deeds, conveyances, leases, mortgages, contracts, waivers or other instruments in writing that they may deem necessary or desirable in the exercise of its powers under this Agreement.

6. To do all other acts that they may deem necessary or proper to carry out any of the powers set forth in Section 103 or 106 or this Section, to administer or carry out the purposes of the Master Trust Fund or any Plan, or as otherwise is in the best interests of the Master Trust Fund or any Plan; provided, however, the Master Trustees need not take any action unless in their opinion there are sufficient Master Trust Fund assets available for the expense thereof.

7. To adopt bylaws governing the Master Trustees' operations and procedures.

8. To contract with municipal corporations, political subdivisions and other public entities of State or of local government and private entities for the provision of Plan services and for the use or furnishing of services and facilities necessary, useful, or incident to providing Plan services.

9. To contract with public or private entities for the provision of administrative services.

10. To adopt plans, trust agreements, investment guidelines and other documents necessary or desirable for the Plans.



11. To charge fees for administrative services in addition to any fees charged by other administrative service providers.

12. To collect and disburse all funds due or payable from the Master Trust Fund, under the terms of the Plans.

13. To provide for and promulgate all rules, regulations, and forms deemed necessary or desirable in contracting with Participating Employers and Participating Employees, in fulfilling the Master Trustees' purposes of providing benefits through the Master Trust Fund and Plans, and in maintaining proper records and accounts.

14. To employ insurance companies, banks, trust companies, investment brokers, investment advisors, or others as agents for the receipt and disbursement of funds held in trust for Participating Employers and Participating Employees in the Plans.

15. To participate in a tax-exempt group trust that has been determined by the Internal Revenue Service to be a pooled fund arrangement pursuant to Revenue Ruling 81-100.

16. To determine, consistent with the applicable law and the claims procedure under the Plans, all questions of law or fact that may arise as to investments and the rights of any person claiming rights under the Plans, including without limitation, Participating Employees, former Participating Employees, and Beneficiaries.

17. Subject to and consistent with the IRC, to construe and interpret the Master Trust Agreement and to correct any defect, supply any omissions, or reconcile any inconsistency in the Agreement.

18. To contract for, purchase or otherwise procure insurance and investment products.

19. To register any Master Trust Fund asset in the name of the Master Trust Fund or in the name of its agent or nominee or to hold any instrument in bearer form (but the books and records of the Plans shall at all times show that such investments are part of the Master Trust Fund).

#### Section 105. TAXES, EXPENSES AND COMPENSATION OF MASTER TRUSTEES.

A. Taxes. The Master Trustees, without direction from the Administrator, shall pay out of the Master Trust Fund all taxes imposed or levied with respect to the Master Trust Fund, or any part thereof, under applicable law, and, in their discretion, may contest the validity or amount of any tax, assessment, claim or demand respecting the Master Trust Fund or any part thereof.

B. Expenses and Compensation. The Master Trustees are authorized to set aside from Participating Employer and Participating Employee contributions received and the investment income earned thereon a reasonable sum for the operating expenses and administrative expenses of the Master Trust Fund and the Plans. All remaining funds coming into the Master Trustees shall be set aside, managed and used only for the payment of Benefits as set forth in the applicable Plan.

The Master Trustees may establish from time to time a reasonable amount of compensation to cover attendance at meetings by the Master Trustees and the Administrator in the performance of the normal duties of the Master Trustees or Administrator, which compensation may include reimbursement for necessary expenses incurred therein.

C. Payment of Expenses. The Master Trustees may use and apply assets in the Defined Benefit Pension Plan Trust, Deferred Compensation Plan Trust, Defined Contribution Pension Plan Trust and Other Post-Employment Benefit Plan Trust as part of and in the Master Trust Fund to pay or provide for the payment of all reasonable and necessary expenses which may be incurred in connection with the establishment and maintenance of the Defined Benefit Pension Plan Trust, Deferred Compensation Plan Trust, Defined Contribution Pension Plan Trust and Other Post-Employment Benefit Plan Trust, including but not limited to, the employment of such administrative, legal, accounting, and other expert and clerical assistance, the leasing of such premises and the purchase or lease of such materials, supplies and equipment as the Master Trustees, in their discretion, may deem necessary or appropriate in the performance of their duties, or the duties of the agents or employees of the Master Trust Fund or the Master Trustees.

#### Section 106. GENERAL DUTIES AND MEETINGS OF THE MASTER TRUSTEES.

A. General Duties. The Master Trustees and each Investment Manager appointed pursuant to this Agreement shall discharge their respective duties under this Agreement solely in the interest of the Participating Employers and Participating Employees in the Plans and their Beneficiaries and: (i) for the exclusive purpose of providing Benefits to such Participating Employees and their Beneficiaries and defraying reasonable expenses of administering the Plans; (ii) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims; and (iii) by diversifying the investments of the Plans so as to minimize the risk of large losses, unless, under the circumstances, it is clearly prudent not to do so. However, the duties and obligations of the Master Trustees and each Investment Manager, respectively, as such, shall be limited to those expressly imposed upon them, respectively, by this Agreement notwithstanding any reference herein to the Plans.

1. Authority of the Master Trustees. The Master Trustees shall have the power and authority and shall be charged with the duty of general supervision and operation of the Master Trust Fund, and shall conduct the business and activities of the Master Trust Fund in accordance with this Agreement and applicable law. The Master Trustees shall not exercise any powers in a manner that is inconsistent with this Agreement.

2. Approval of New Members. The Master Trustees or other designee shall receive applications from Employers for membership in the Master Trust Fund and shall approve or disapprove such applications for membership in accordance with the terms of this Agreement, the Trust Joinder Agreement and the rules and regulations established by the Master Trustees for admission of new members to the Master Trust Fund. The Master Trustees shall have total discretion in determining whether to accept a new member. The Master Trustees may delegate the authority for membership approval to the Administrator or its designees. In the event that the Plan proposed by the applicant is a defined benefit plan, then, if required by the Plan and before the applicant is approved for membership, the

Plan must be approved for actuarial soundness by the Administrator and must comply with Chapter 112, Florida Statutes.

3. Master Trustees' Liabilities. No Master Trustee shall be liable for any action taken pursuant to this Agreement in good faith or for an omission except bad faith or gross negligence, or for any act of omission or commission by any other Master Trustee. The Master Trustees are hereby authorized and empowered to obtain, at the expense of the Master Trust Fund, liability insurance fully protecting the respective Master Trustees, the Administrator, and the Master Trust Fund from any loss or expense incurred, including reasonable attorney's fees, for all acts of the Master Trustees except bad faith or gross negligence. The Master Trust Fund hereby agrees to save, hold harmless and indemnify the Master Trustees and Administrator from any loss, damage or expense incurred by said persons or entities while acting in their official capacity excepting bad faith or gross negligence.

4. Standard of Review. In evaluating performance of the Master Trustees, compliance by the Master Trustees with this Agreement must be determined in light of the facts and circumstances existing at the time of the Master Trustees' decision or action and not by hindsight.

5. Limitations on Liabilities. The Master Trustees' responsibilities and liabilities shall be subject to the following limitations:

(a) The Master Trustees shall have no duties other than those expressly set forth in this Agreement or the Plans and those imposed on the Master Trustees by applicable laws.

(b) The Master Trustees shall be responsible only for money and property actually received by the Master Trustees, and then to the extent described in this Agreement. The Master Trustees shall not be under any duty to require payment of any contribution to the Master Trust Fund or to see that any payment made to them is computed in accordance with the provisions of the Plans.

(c) The Master Trustees shall not be responsible for the correctness of any determination of payments or disbursements from the Master Trust Fund.

(d) The Master Trustees shall have no liability for the acts or omissions of any predecessor or successor in office.

(e) The Master Trustees shall have no liability for (i) the acts or omissions of any Investment Manager or Managers; (ii) the acts or omissions of any insurance company; (iii) the acts or omissions of any mutual fund; or (iv) following directions that are given to the Master Trustees by the Participating Employer, Participating Employees or the Administrator in accordance with this Agreement or the Plans.

(f) The Master Trustees shall have no liability for an investment option or any loss sustained by a Participating Employer, Participating Employee,

Beneficiary, or Alternate Payee whose Account in whole or in part is invested through Open Architecture Investment.

B. Reliance on Counsel. The Master Trustees may employ, retain or consult with legal counsel, who may be counsel for the Administrator, the Florida League of Cities, Inc., any of the Plans or any Master Trustee, in their individual capacities concerning any questions which may arise with reference to the duties and powers or with reference to any other matter pertaining to this Agreement; and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Master Trustees in good faith in accordance with the opinion of such counsel, and the Master Trustees shall not be liable therefor.

C. Meetings. The Master Trustees shall meet at least semi-annually, and more frequently if called, at the principal office of the Master Trust Fund or at such other location as may be acceptable to a majority of the Master Trustees. The Chairman of the Master Trustees or his designee shall set the date, time and location of each meeting, and notice shall be furnished to each Master Trustee by the Administrator not less than ten (10) days prior to the date of the meeting and may specify the purpose and any action proposed to be taken at the meeting. Furthermore, such notice shall be directed to the Master Trustees by mail to the respective addresses of the Master Trustees as recorded in the office of the Master Trust Fund. The Chairman or any two (2) other Master Trustees may direct the Administrator to send the prerequisite notice for any special meeting of the Master Trustees.

For the purposes of a duly called meeting of the Master Trustees, a quorum shall exist if a majority of the Master Trustees are present.

The Administrator or its designee shall keep minutes of all meetings, proceedings and acts of the Master Trustees, but such minutes need not be verbatim. Copies of all minutes of the Master Trustees shall be sent by the Administrator or its designee to the Master Trustees.

All actions by, and decisions of, the Master Trustees shall be by vote of a majority of the Master Trustees attending a duly called regular or special meeting of the Master Trustees at which a quorum is present.

D. Office of the Master Trust Fund. The Master Trustees shall establish, maintain and provide adequate funding for an office for the administration of the Master Trust Fund. The address of such office is to be made known to the parties interested in or participating in the Master Trust Fund and to the appropriate governmental agencies. The books and records pertaining to the Master Trust Fund and its administration shall be kept and maintained at the office of the Master Trust Fund.

E. Execution of Documents. A certificate signed by the Chairman of the Master Trustees, or such other person as may be designated by the Master Trustees, shall be evidence of the action of the Master Trustees, and any such certificate or other instrument so signed shall be kept and maintained at the office of the Master Trust Fund and may be relied upon as an action of the Master Trustees.

F. Appointment of Administrator. The Master Trustees shall designate and provide compensation for an Administrator to administer the affairs of the Master Trust Fund. An

Administrator so appointed shall furnish a fidelity bond with the Master Trustees as obligee. The Master Trustees shall determine the amount of the fidelity bond and evidence of the bond shall be available to the appropriate governmental agencies.

G. Unclaimed Benefit Payments. If any check or share certificate in payment of a Benefit under this Agreement or any Plan, which has been mailed by regular United States first-class mail to the last address of the payee furnished to the Master Trustees or the Administrator, is returned unclaimed, the Master Trustees or the Administrator shall discontinue further payments to such payee until they receive further instructions, subject to any applicable unclaimed property act provisions. The Master Trustees or Administrator shall further take reasonable actions to locate such payees.

H. Duty to Furnish Information. Both the Administrator and the Master Trustees shall furnish to each other any document, report, return, statement or other information that the other reasonably deems necessary to perform duties imposed under this Agreement or otherwise imposed by law.

I. Authority of Individual Master Trustees. The Master Trustees may delegate a particular function, power or authority to an individual Master Trustee (the "Individual Master Trustee"). When such delegation occurs, no person dealing with the Individual Master Trustee shall be required to make inquiry as to the authority of the Individual Master Trustee to do any act hereunder. Any such person shall be entitled, conclusively, to assume that the Individual Master Trustee is properly authorized to do any act, which he/she purports to do hereunder, and any such person shall be under no liability to any person, whomsoever, for any act done hereunder pursuant to such written direction of the Individual Master Trustee. When such action is so authorized by an Individual Master Trustee, any such person may assume conclusively that the Individual Master Trustee has full power and authority to receive and give receipt for any money or property becoming due and payable to the Master Trustees, and no such person shall be bound to inquire as to the disposition or application of any money or property paid or delivered to the Individual Master Trustee, or paid or delivered in accordance with such written direction of the Individual Master Trustee.

J. Reliance on Communications. The Master Trustees may rely upon a certification of the Administrator with respect to any instruction, direction, or approval of the Administrator and may continue to rely upon such certification until a subsequent certification is filed with the Master Trustees. The Master Trustees shall have no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as fully authorized by the Administrator.

#### Section 107. ACCOUNTS.

The Master Trustees shall keep or cause to be kept at the expense of the Master Trust Fund accurate and detailed accounts of all their receipts, investments and disbursements under this Agreement and the Plans, with the Master Trustees accounting separately for each Investment Manager's portion of the Master Trust Fund.

#### Section 108. COMMUNICATIONS.

Until notice is given to the contrary, communication to the Master Trustees shall be sent to them at the Master Trust Fund's office at 301 South Bronough Street, Suite 300, Tallahassee, FL 32302 and communications to the Administrator shall be sent to 301 South Bronough Street, Suite 300, Tallahassee, FL 32302.

Section 109. APPOINTMENT, RESIGNATION OR REMOVAL OF MASTER TRUSTEES.

A. Master Trustees. The operation and administration of the Master Trust Fund shall be the full responsibility of the Master Trustees selected from the ranks of elected officials of municipal governments participating in the Plans.

B. Appointment of Master Trustees and Length of Appointment. The number of Master Trustees shall be five (5).

1. The first group of Master Trustees was selected by the President of the Florida League of Cities, Inc. or his designee in order to create an interim group of Master Trustees to establish the Plans. This interim group of Master Trustees served until successor Master Trustees were elected. The first group of Master Trustees was composed of five (5) Master Trustees. The initial terms of the Master Trustees was as follows: two (2) individual Master Trustees selected for a one- (1-)year term and three (3) individual Master Trustees selected for a two- (2-)year term. The terms thereafter shall be for three (3) years.

2. Beginning in January, 1986 the Master Trustees shall solicit nominations from the Participating Employers for Master Trustee and such nominees shall constitute the basis for the election of Master Trustees by the majority vote of the Master Trustees then in office. The Master Trustees may be re-elected but no Master Trustee shall serve more than two (2) consecutive three- (3-) year terms. In the event a Master Trustee is elected to fill an unexpired term, the unexpired term shall not be included in the two- (2-) term limitation provided herein. Replacement Master Trustees shall be elected from nominations provided by Participating Employers and vacancies shall be filled by the majority vote of the Master Trustees then in office from the nominees offered by such Participating Employers.

3. No individual Master Trustee may be elected or continue to serve as a Master Trustee after becoming an owner, officer or employee of the Administrator or a Custodian.

4. Each Master Trustee and each successor Master Trustee shall acknowledge and consent to his election as a Master Trustee by giving written notice of acceptance of such election to the Chairman of the Master Trustees.

C. Resignation of a Master Trustee.

1. A Master Trustee may resign from all duties and responsibilities under this Agreement by giving not less than sixty (60) days prior written notice sent by registered mail to the Chairman of the Master Trustees. Such notice shall state the date such

resignation shall take effect and such resignation shall take effect on such date unless a successor Master Trustee shall have been elected at an earlier date by the Master Trustees in which event such resignation shall take effect immediately upon the election of the successor Master Trustee.

2. Any Master Trustee, upon leaving office, shall forthwith turn over and deliver to the Chairman of the Master Trustees at the principal office of the Master Trust Fund any and all records, books, documents or other property in his or her possession or under his or her control which belongs to the Master Trust Fund.

D. Removal of a Master Trustee. Each Master Trustee, unless due to the resignation, death, incapacity, or refusal to act, shall serve and shall continue to serve subject to the provisions of this Agreement.

A Master Trustee shall relinquish his or her office or may be removed by a majority vote of the Master Trustees ipso facto when he or she no longer serves in an official capacity with the Participating Employer by which he or she was nominated or when the Employer is no longer a Participating Employer in the Master Trust Fund. Notice of removal of a Master Trustee shall be furnished to the other Master Trustees by the Chairman of the Master Trustees and shall set forth the effective date of such removal.

E. Appointment of a Successor Master Trustee. In the event a Master Trustee shall die, resign, become incapacitated, or refuse to act, a successor Master Trustee shall be elected forthwith by the Master Trustees. The notice of the election of a successor Master Trustee shall be furnished to the other Master Trustees by the Chairman of the Master Trustees, and shall be accompanied by the acceptance of the successor Master Trustee.

F. Master Trustees Rights. In case of the death, resignation or refusal or inability to act of any one or more of the Master Trustees, the Master Trustees shall have the powers, rights, estates and interests of this Agreement as Master Trustees and shall be charged with the duties of this Agreement; provided in such cases, no action may be taken unless it is concurred in by a majority of the remaining Master Trustees.

G. Appointment of Chairman. The Master Trustees may appoint or remove a Chairman at any time who shall have such authority, duties and responsibilities as may be set forth in this Agreement from time to time and as provided under applicable law.

#### Section 110. AMENDMENT OR TERMINATION OF THIS AGREEMENT; TERMINATION OF PLANS.

A. Amendment. This Agreement and the trusts created hereby may be amended in writing at any time by the concurrence of a majority of the Master Trustees. No amendment to this Agreement, which directly affects the scope of powers of the Master Trustees, terms of office or the selection of Master Trustees shall become effective without the concurrence of the Board of Directors of the Florida League of Cities, Inc.

No change which specifically affects the exercise of powers by the Master Trustees or the fiduciary responsibilities of the Master Trustees to Participating Employers and Participating

Employees shall be required to be approved by the Board of Directors of the Florida League of Cities, Inc., nor shall this Section be construed to give the Board of Directors of the Florida League of Cities, Inc. the power to exercise any fiduciary responsibility of the Master Trustees or to interfere with the exercise of those responsibilities by the Master Trustees.

This Agreement may not be amended so as to change its purpose as set forth herein or to permit the diversion or application of any funds of the Master Trust Fund or of the Plans for any purpose other than those specified herein. The Master Trustees, upon adoption of an amendment to this Agreement, shall send a copy of any such amendment to the Participating Employers.

B. Termination. This Agreement and any trust created hereby may be terminated at any time by the Master Trustees with respect to an Employer when the Employer's participation in a participating Plan is terminated or when a Trust Joinder Agreement has been terminated. The Defined Contribution Pension Plan Trust may be terminated in its entirety when all of the participating defined contribution pension plans have been terminated in their entirety or have terminated their participation in the Defined Contribution Pension Plan Trust. The Deferred Compensation Plan Trust may be terminated in its entirety when all of the participating deferred compensation plans have been terminated in their entirety or have terminated their participation in the Deferred Compensation Plan Trust. The Other Post-Employment Benefit Plan Trust may be terminated in its entirety when all of the participating other post-employment benefit plans have been terminated in their entirety or have terminated their participation in the Other Post-Employment Benefit Plan Trust. The Defined Benefit Pension Plan Trust may be terminated in its entirety pursuant to Florida law. This Agreement and the Master Trust Fund may be terminated in their entirety pursuant to Florida law.

In case of a termination of this Agreement, either in whole or in part, the Master Trustees (subject to the provisions of Section 111 hereof and reserving respectively such sums as the Master Trustees shall deem necessary in settling their respective accounts and to discharge any obligation of the Master Trust Fund for which as trustees the Master Trustees shall be liable) shall hold, apply, transfer or distribute the affected assets of the Master Trust Fund in accordance with the applicable provisions of this Agreement and the affected Plans. Upon any termination, in whole or in part, of this Agreement and the trusts created hereby, the Master Trustees shall have a right to have their respective accounts settled as provided in Section 112.

In the case of the complete or partial termination of this Agreement as to one or more Employers, including a termination arising from the discontinuance or delinquency of contributions, the affected assets of the Master Trust Fund shall continue to be held pursuant to the direction of the Master Trustees, for the benefit of affected Participating Employees and Beneficiaries, pursuant to the benefit provisions of the affected Plan. This Agreement shall remain in full effect with respect to each Participating Employer that does not terminate its participation in the Master Trust Fund on behalf of its Participating Employees, or whose participation is not terminated by the Master Trustees. In the event of a complete termination of the Master Trust Fund, or of the complete termination of the Defined Contribution Pension Plan Trust, the Deferred Compensation Plan Trust, the Defined Benefit Pension Plan Trust or the Other Post-Employment Benefit Plan Trust, the Master Trustees will take reasonable steps to avoid a distribution to the Participating Employees and Beneficiaries, except pursuant to benefit options under the provisions of the participating Plans, including transfers to successor plan(s). However, if distributions must



be made, the Administrator shall be responsible for directing distribution of all affected assets of the Master Trust Fund to Participating Employees and Beneficiaries.

Distributions under a participating Plan of existing accounts or accrued benefits to the Participating Employees and Beneficiaries affected by the termination are subject to the benefit provisions of the Plan. However, if a Participating Employer requests a plan-to-plan transfer of Plan assets with respect to the Participating Employer's Participating Employees, the Master Trustees may in their discretion make the transfer.

Notwithstanding the foregoing, the Master Trustees shall not be required to pay out any assets of the Master Trust Fund to Participating Employees and Beneficiaries or a successor plan upon termination of this Agreement or the Master Trust Fund, in whole or in part, until the Master Trustees have received written certification from the Administrator (i) that all provisions of law with respect to such termination have been complied with, including the termination of a Plan; and (ii) after the Master Trustees have made a determination of the fair market value of the assets of a Plan, that the assets of the Plan are sufficient to discharge when due all obligations of the Plan required by law. The Master Trustees shall rely conclusively on such written certification and shall be under no obligation to investigate or otherwise determine its propriety.

When the assets of the Master Trust Fund affected by a termination have been applied, transferred or distributed and the accounts of the Master Trustees have been settled, then the Master Trustees shall be released and discharged from all further accountability or liability respecting the trust or trusts, or portions thereof, affected by the termination and shall not be responsible in any way for the further disposition of the assets of the trust or trusts, or portions thereof, affected by the termination or any part thereof so applied, transferred or distributed.

#### Section 111. PROHIBITION OF ASSIGNMENT OF INTEREST.

No interest, right or claim in or to any part of the Master Trust Fund or the funds of the Plans, or any payment therefrom shall be assignable, transferable or subject to sale, mortgage, pledge, hypothecation, commutation, anticipation, garnishment, attachment, execution or levy of any kind, and the Master Trustees shall not recognize any attempt to assign, transfer, sell, mortgage, pledge, hypothecate, commute or anticipate the same, except to the extent required by law.

#### Section 112. MISCELLANEOUS.

A. Titles. The titles to Parts and Sections of this Agreement are placed herein for convenience of reference only, and the Agreement is not to be construed by reference thereto.

B. Professional Administrator. The Administrator may delegate any of its obligations under this Agreement to a professional administrator.

C. Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of the Florida League of Cities, Inc., the Master Trustees, the Participating Employers and the Participating Employees.

D. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one instrument, which may be sufficiently evidenced by any counterpart. Any Participating Employer that formally applies for participation in this Agreement by executing a Trust Joinder Agreement and is accepted by the Master Trustees shall thereupon become a party to this Agreement and be bound by all of the terms and conditions thereof, and said Trust Joinder Agreement shall constitute a counterpart of this Agreement.

E. Jurisdiction. This Agreement shall be interpreted, construed and enforced, and the trust or trusts created hereby shall be administered, in accordance with the laws of the United States and of the State of Florida.

F. Situs of the Trust. The situs of the trust or trusts created hereby is the State of Florida. All questions pertaining to its validity, construction, and administration shall be determined in accordance with the laws of the State of Florida. Venue for any action regarding this Agreement is Leon County, Florida.

G. Construction. Whenever any words are used in this Agreement in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all situations where they would so apply and whenever any words are used in this Agreement in the singular form, they shall be construed as though they were also used in the plural form in all situations where they would so apply, and whenever any words are used in this Agreement in the plural form, they shall be construed as though they were also in the singular form in all situations where they would so apply.

H. Fiscal Year. The Master Trust Fund and all trusts created by it shall operate on a fiscal year from 12:01 a.m. October 1<sup>st</sup> to midnight of the last day in September in the following year or as otherwise provided by the participating Plan. Application for participation in this Agreement, when approved in writing by the Master Trustees or their designee, shall constitute a continuing contract for each succeeding fiscal year unless cancelled by the Master Trustees or unless the Participating Employer resigns or withdraws from this Agreement by written notice.

I. Parties Bound. This Agreement shall be binding upon the parties hereto, the Participating Employers and the Participating Employees in any Plan and persons claiming under or through them pursuant to any Plan, and, as the case may be, the heirs, executors, administrators, successors and assigns of each of them.

J. Necessary Parties to Disputes. Necessary parties to any accounting, litigation or other proceedings relating to this Agreement shall include only the Master Trustees and the Administrator. The settlement or judgment in any such case in which the Master Trustees are duly served or cited shall be binding upon all Participating Employers and Participating Employees in any Plan and their Beneficiaries and estates, and upon all persons claiming by, through or under them.

K. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Agreement shall continue to be fully effective. If any provision of the Agreement is held to violate the IRC

or to be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise affect any Plan or trust created by this Agreement.

## **PART 2 - DEFINED BENEFIT PENSION PLAN TRUST**

### **Section 200. APPLICATION.**

The provisions of Part 2 apply to the Defined Benefit Pension Plan Trust and the participating defined benefit pension plans of Participating Employers.

### **Section 201. ESTABLISHMENT AND PURPOSE OF TRUST FOR DEFINED BENEFIT PENSION PLANS.**

A. Establishment of Trust For Defined Benefit Pension Plans. The Participating Employers with a defined benefit pension plan or plans establish with the Master Trustees, and the Master Trustees hereby accept, a Defined Benefit Pension Plan Trust for the exclusive benefit of Participating Employees and Beneficiaries of Participating Employers consisting of such cash or other property acceptable to the Master Trustees as shall be transferred to the Master Trustees from time to time by the trustee of any Participating Employer with a defined benefit pension plan or plans, as provided in Section 202 hereof, for investment in the Master Trust Fund, together with the earnings, income, additions and appreciation thereon and thereto.

B. Purposes of Defined Benefit Pension Plan Trust. The Master Trustees may use and apply assets in the Defined Benefit Pension Plan Trust, as part of the Master Trust Fund, for the following purposes:

1. At no time prior to the satisfaction of all liabilities with respect to Participating Employees and their Beneficiaries shall any part of the corpus or income be used for, or diverted to, purposes other than the exclusive benefit of the Participating Employees and their Beneficiaries to distribute the corpus and income of the Defined Benefit Pension Plan Trust to the Participating Employees and their Beneficiaries in accordance with applicable law and the participating defined benefit pension plans.

2. To establish and accumulate as part of the Master Trust Fund an adequate reserve to carry out the purposes of the Defined Benefit Pension Plan Trust.

3. To pay any federal, state or local taxes or fees, which may be properly imposed on or levied against the Defined Benefit Pension Plan Trust or benefits paid therefrom.

4. If deemed appropriate and advisable, to pay premiums on separately administered life insurance coverage on the lives of Participating Employees of Participating Employers.

### **Section 202. PARTICIPATING EMPLOYERS WITH A DEFINED BENEFIT PENSION PLAN OR PLANS.**

A. Approval. Before the approval of the participation of any Employer that has a defined benefit pension plan not established as a Plan by the Master Trustees, such plan must be approved for actuarial soundness by an actuary selected by the Master Trustees or Administrator and such plan must comply with Chapter 112, Florida Statutes.

B. Accumulated Share. No Participating Employer shall have any right, title or interest in or to any specific assets of the Master Trust Fund, but shall have an undivided beneficial interest in the Master Trust Fund; however, there shall be a specific accounting of assets allocable to each Participating Employer and each participating Plan.

C. Contributions. The Administrator shall have the responsibility for accepting contributions by Participating Employers. The Administrator shall be under no duty to determine whether the amount of any contribution is in accordance with the Participating Employer's defined benefit pension plan or plans or to collect or enforce payment of any contribution. All contributions under the participating defined benefit pension plans shall be transferred to the Defined Benefit Pension Plan Trust to be held, managed, invested and distributed as part of the Defined Benefit Pension Plan Trust by the Master Trustees in accordance with the provisions of the Plans and applicable law. All benefits under the Plans shall be distributed solely from the Defined Benefit Pension Plan Trust and Participating Employers shall have no financial liability therefor other than the obligation to make contributions to the Defined Benefit Pension Plan Trust as provided in the Plans.

D. Chapter 175 or 185 Plans. The Master Trustees shall be authorized to take the steps they deem necessary or appropriate to comply with Chapters 175 and 185, Florida Statutes, with respect to any defined benefit pension plan of a Participating Employer established pursuant to such Chapters.

### **PART 3 - DEFINED CONTRIBUTION PENSION PLAN TRUST**

#### **Section 300. APPLICATION.**

The provisions of Part 3 apply to the Defined Contribution Pension Plan Trust and the participating defined contribution pension plans of the Participating Employers.

#### **Section 301. ESTABLISHMENT AND PURPOSE OF TRUST FOR DEFINED CONTRIBUTION PENSION PLANS.**

A. Establishment of Trust for Defined Contribution Pension Plans. The Master Trustees established the Defined Contribution Pension Plan Trust for the exclusive benefit of Participating Employees of Participating Employers with a defined contribution pension plan or plans. The authority to conduct the general investment operation and the general administration of the Defined Contribution Pension Plan Trust is vested in the Master Trustees. The Master Trustees may contract with the Administrator to perform delegated functions with respect to any participating defined contribution pension plan, and the Administrator may contract with third parties to provide administrative, investment and custodial services in relation to any participating defined contribution pension plan.

B. Purposes of Defined Contribution Pension Plan Trust. The Master Trustees shall maintain the Defined Contribution Pension Plan Trust for the exclusive benefit of the Participating Employees and their Beneficiaries. The Master Trustees intend to maintain sound prudent practices designed to provide easy and convenient access to information and transactions for Participating Employees, including transfers from one investment option to another at the Participating Employee's direction. The Master Trustees intend to maintain these practices at a reasonable cost to the Participating Employers and Participating Employees. Except for Participating Employers who select Open Architecture Investment, the Master Trustees intend to preserve Participating Employees' rights to choose freely among a broad range of investment options and to self-direct investments for their Plan accounts. Except for Participating Employers who select Open Architecture Investment, the Master Trustees intend to perform ongoing evaluations and reviews to ensure that the investment options offered remain diversified, competitive and attractive to Participating Employers and Participating Employees. It is the Master Trustees' intent that the Defined Contribution Pension Plan Trust be exempt under Sections 501(a) and 115 of the IRC.

#### Section 302. DEFINED CONTRIBUTION PENSION PLAN TRUST ADMINISTRATION.

A. Defined Contribution Pension Plan Trust Administration. The Master Trustees shall receive and accept for the purposes hereof all property paid to them by or at the direction of the Participating Employers and Participating Employees and shall hold, invest, reinvest, manage, administer and distribute property and the increments, proceeds, earnings and income thereof for the exclusive benefit of the Participating Employees and Beneficiaries under the participating defined contribution pension plans. All assets shall be held by the Master Trustees in the Defined Contribution Pension Plan Trust. The Master Trustees have authority to invest, in accordance with valid Participating Employer and Participating Employee instructions, and manage the assets of the Defined Contribution Pension Plan Trust.

B. Exclusive Benefit Rule. No portion of the vested principal or the income of the Defined Contribution Pension Plan Trust shall revert to any Participating Employer, or ever be used for or diverted to any purpose other than for (i) the exclusive benefit of Participating Employees in the participating defined contribution pension plans and persons claiming under or through them pursuant to such plans and (ii) the payment of reasonable expenses of such plans and the Defined Contribution Pension Plan Trust. The Master Trustees shall administer the Defined Contribution Pension Plan Trust in compliance with IRC Section 503(b).

C. Defined Contribution Pension Plans. All references in this Part 3 to defined contribution pension plans shall mean the participating defined contribution pension plans of the Participating Employers in the Defined Contribution Pension Plan Trust. The participating defined contribution pension plans, as amended from time to time, shall be incorporated herein by reference, and the terms herein shall have the meanings attributed to them in such plans.

D. Property. The word "property" used for the Defined Contribution Pension Plan Trust shall be deemed to refer to any property, real or personal, or part interest therein, wherever situated, including, but without being limited to, preferred and common stocks, shares of investment companies, bonds, notes, debentures and mortgages, equipment trust certificates,

investment trust certificates, interest in partnerships whether limited or general, or in any insurance contract, policy, annuity or other investment media offered by an insurance company.

### Section 303. DEPOSITS AND DISBURSEMENTS FROM THE TRUST.

A. Trust Deposits. The Master Trustees hereby delegate to the Administrator the responsibility for accepting deposits to the Defined Contribution Pension Plan Trust.

B. Trust Payments. The Master Trustees hereby delegate to the Administrator the responsibility for making payments from the Defined Contribution Pension Plan Trust. The Administrator shall make payments from the Defined Contribution Pension Plan Trust to Participating Employees, their Beneficiaries and such other persons as the appropriate participating defined contribution pension plans may provide. Such payments shall be made in such manner, in such amounts and for such purposes, including the payment of Benefits under participating defined contribution pension plans and the payment of expenses of administration of the participating defined contribution pension plans, as may be specified in the participating defined contribution pension plans. The Administrator shall ensure that any payment directed under this Section conforms to the provisions of the applicable participating defined contribution pension plan, this Agreement, and the provisions of applicable law. Payments from the Defined Contribution Pension Plan Trust shall be made by check (or the check of an agent) or deposit to the order of the payee. Payments or other distributions hereunder may be mailed to the payee at the address last furnished to the Administrator. The Master Trustees shall not incur any liability or other damage on account of any payment or other distribution made by the Defined Contribution Pension Plan Trust in accordance with this Section.

C. Allocation of Expenses. The Master Trustees shall pay all expenses of the Defined Contribution Pension Plan Trust from the assets in the Defined Contribution Pension Plan Trust. All expenses of the Defined Contribution Pension Plan Trust, which are allocable to a particular investment option or account, may be allocated and charged to such investment option or account as determined by the Master Trustees. All expenses of the Defined Contribution Pension Plan Trust which are not allocable to a particular investment option or account shall be charged to each such investment option or account in the manner established by the Master Trustees.

### Section 304. INVESTMENT OPTIONS.

The Master Trustees, in accordance with provisions of the participating defined contribution pension plans, may establish one (1) or more investment options within the Defined Contribution Pension Plan Trust, each option being hereinafter referred to as an “investment option.” The Master Trustees shall transfer to each such investment option such portion of the assets of the Defined Contribution Pension Plan Trust as appropriate. The Master Trustees shall manage, acquire or dispose of the assets in an investment option in accordance with valid specific investment directions given by the Participating Employers or Participating Employees. All income received with respect to, and all proceeds received from, the disposition of property held in an investment option shall be credited to, and reinvested in, such investment option. The Master Trustees shall establish at least one (1) default investment option in the absence of valid Participating Employer or Participating Employee investment direction.

From time to time, the Master Trustees may eliminate an investment option, and the proceeds thereof shall be reinvested in another investment option in accordance with the directions of the Master Trustees.

Notwithstanding any provisions of this Section to the contrary, the powers and responsibilities as set forth in this Section regarding the selection and oversight of investment options by the Master Trustees shall be removed from the Master Trustees and shall be placed with a Participating Employer if the Participating Employer selects Open Architecture Investment.

Section 305. INVESTMENT IN INSURANCE CONTRACTS.

The Master Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with insurance companies qualified to do business in the State of Florida. Any asset invested pursuant to such an agreement shall be held by the insurance company. Each insurance company so selected shall certify the value of the Defined Contribution Pension Plan Trust's interest in the property held by it at least annually. The Master Trustees shall be entitled to rely conclusively on such valuation for all purposes under the Defined Contribution Pension Plan Trust.

Section 306. INVESTMENT IN MUTUAL FUNDS.

The Master Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with companies offering mutual fund products. Any asset invested pursuant to such an agreement shall be held by the Master Trustees. Each mutual fund so selected shall certify the value of the Defined Contribution Pension Plan Trust's interest in that fund at least annually. The Master Trustees shall be entitled to rely conclusively on such valuation for all purposes under the Defined Contribution Pension Plan Trust.

Section 307. MISCELLANEOUS.

A. Conflict. In resolving any conflict among provisions of the Defined Contribution Pension Plan Trust and in resolving any other uncertainty as to the meaning or intention of any provision of the Defined Contribution Pension Plan Trust, the interpretation that (i) causes the participating defined contribution pension plans to satisfy the applicable requirements of IRC Sections 401(a) and 414(d) and the Defined Contribution Pension Plan Trust to be exempt from tax under IRC Sections 115 and 501(a), and (ii) causes the participating defined contribution pension plan and the Defined Contribution Pension Plan Trust to comply with all applicable requirements of law shall prevail over any different interpretation.

B. No Guarantees. Neither the Administrator nor the Master Trustees guarantee the Defined Contribution Pension Plan Trust from loss or depreciation or the payment of any amount which may become due to any person under any participating defined contribution pension plan or this Agreement.

**PART 4 - DEFERRED COMPENSATION PLAN TRUST**

Section 400. APPLICATION.

The provisions of Part 4 apply to the Deferred Compensation Plan Trust and the participating deferred compensation plans.

Section 401. ESTABLISHMENT AND PURPOSE OF TRUST FOR DEFERRED COMPENSATION PLANS.

A. Establishment of Trust for Deferred Compensation Plans. The Master Trustees establishes the Deferred Compensation Plan Trust for the exclusive benefit of Participating Employees of Participating Employers with a deferred compensation plan or plans. The authority to conduct the general investment operation and the general administration of the Deferred Compensation Plan Trust is vested in the Master Trustees. The Master Trustees may contract with the Administrator to perform delegated functions with respect to any participating deferred compensation plan and the Administrator may contract with third parties to provide administrative, investment and custodial services in relation to any participating deferred compensation plan.

B. Purposes of Deferred Compensation Plan Trust. The Master Trustees shall maintain the Deferred Compensation Plan Trust for the exclusive benefit of the Participating Employees and their Beneficiaries. The Master Trustees intend to maintain sound prudent practices designed to provide easy and convenient access to information and transactions for Participating Employees, including transfers from one investment option to another at the Participating Employee's direction. The Master Trustees intend to maintain these practices at a reasonable cost to the Participating Employers and Participating Employees. Except for Participating Employers who select Open Architecture Investment, the Master Trustees intend to preserve Participating Employees' rights to choose freely among a broad range of investment options and to self-direct their investments. Except for Participating Employers who select Open Architecture Investment, the Master Trustees intend to perform ongoing evaluations and reviews to ensure that the investment options offered remain diversified, competitive and attractive to Participating Employers and Participating Employees. It is the Master Trustees' intent that the Deferred Compensation Plan Trust be exempt under Sections 501(a) and 115 of the IRC.

Section 402. DEFERRED COMPENSATION PLAN TRUST ADMINISTRATION.

A. Deferred Compensation Plan Trust Administration. The Master Trustees shall receive and accept for the purposes hereof all property paid to them by or at the direction of the Participating Employers and Participating Employees and shall hold, invest, reinvest, manage, administer and distribute property and the increments, proceeds, earnings and income thereof for the exclusive benefit of the Participating Employees and Beneficiaries under the participating deferred compensation plans. All assets shall be held by the Master Trustees in the Deferred Compensation Plan Trust. The Master Trustees have authority to invest, in accordance with valid Participating Employer and Participating Employee instructions, and manage the assets of the Deferred Compensation Plan Trust.

B. Exclusive Benefit Rule. No portion of the vested principal or the income of the Deferred Compensation Plan Trust shall revert to the Participating Employers, or ever be used for or diverted to any purpose other than for (i) the exclusive benefit of Participating Employees in the Deferred Compensation Plan Trust and persons claiming under or through them pursuant to



the participating deferred compensation plans and (ii) the payment of reasonable expenses of such plans and the Deferred Compensation Plan Trust. The Master Trustees shall administer the Deferred Compensation Plan Trust in compliance with IRC Section 503(b).

C. Deferred Compensation Plans. All references in this Part 4 to deferred compensation plans shall mean the participating deferred compensation plans of the Participating Employers in the Deferred Compensation Plan Trust. The participating deferred compensation plans, as amended from time to time, shall be incorporated herein by reference, and the terms herein shall have the meanings attributed to them in such plans.

D. Property. The word “property” used for the Deferred Compensation Plan Trust shall be deemed to refer to any property, real or personal, or part interest therein, wherever situated, including, but without being limited to, preferred and common stocks, shares of investment companies, bonds, notes, debentures and mortgages, equipment trust certificates, investment trust certificates, interest in partnerships whether limited or general, or in any insurance contract, policy, annuity or other investment media offered by an insurance company.

#### Section 403. DEPOSITS AND DISBURSEMENTS FROM THE TRUST.

A. Trust Deposits. The Master Trustees hereby delegate to the Administrator the responsibility for accepting deposits to the Deferred Compensation Plan Trust.

B. Trust Payments. The Master Trustees hereby delegate to the Administrator the responsibility for making payments from the Deferred Compensation Plan Trust. The Administrator shall make payments from the Deferred Compensation Plan Trust to Participating Employees, their Beneficiaries and such other persons as the participating deferred compensation plans may provide. Such payments shall be made in such manner, in such amounts and for such purposes, including the payment of Benefits under participating deferred compensation plans and the payment of expenses of administration of the participating deferred compensation plans, as may be specified in the deferred compensation plan. The Administrator shall ensure that any payment directed under this Section conforms to the provisions of the deferred compensation plan, this Agreement, and the provisions of applicable law. Payments from the Deferred Compensation Plan Trust shall be made by check (or the check of an agent) or deposit to the order of the payee. Payments or other distributions hereunder may be mailed to the payee at the address last furnished to the Administrator. The Master Trustees shall not incur any liability or other damage on account of any payment or other distribution made by the Deferred Compensation Plan Trust in accordance with this Section.

C. Allocation of Expenses. The Master Trustees shall pay all expenses of the Deferred Compensation Plan Trust from the assets of the Deferred Compensation Plan Trust. All expenses of the Deferred Compensation Plan Trust, which are allocable to a particular investment option or account may be allocated and charged to such investment option or account as determined by the Master Trustees. All expenses of the Deferred Compensation Plan Trust which are not allocable to a particular investment option or account shall be charged to each such investment option or account in the manner established by the Master Trustees.

#### Section 404. INVESTMENT OPTIONS.

The Master Trustees, in accordance with provisions of the participating deferred compensation plans, may establish one (1) or more investment options within the Deferred Compensation Plan Trust, each option being hereinafter referred to as an “investment option.” The Master Trustees shall transfer to each such investment option such portion of the assets of the Deferred Compensation Plan Trust as appropriate. The Master Trustees shall manage, acquire or dispose of the assets in an investment option in accordance with valid specific investment directions given by the Participating Employers or Participating Employees. All income received with respect to, and all proceeds received from, the disposition of property held in an investment option shall be credited to, and reinvested in, such investment option. The Master Trustees shall establish at least one (1) default investment option in the absence of valid Participating Employer or Participating Employee investment direction.

From time to time, the Master Trustees may eliminate an investment option, and the proceeds thereof shall be reinvested in another investment option in accordance with the directions of the Master Trustees.

Notwithstanding any provisions of this Section to the contrary, the powers and responsibilities as set forth in this Section regarding the selection and oversight of investment options by the Master Trustees shall be removed from the Master Trustees and shall be placed with a Participating Employer if the Participating Employer selects Open Architecture Investment.

Section 405. INVESTMENT IN INSURANCE CONTRACTS.

The Master Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with insurance companies qualified to do business in the State of Florida. Any asset invested pursuant to such an agreement shall be held by the insurance company. Each insurance company so selected shall certify the value of the trust’s interest in the property held by it at least annually. The Master Trustees shall be entitled to rely conclusively on such valuation for all purposes under the Deferred Compensation Plan Trust.

Section 406. INVESTMENT IN MUTUAL FUNDS.

The Master Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with companies offering mutual fund products. Any asset invested pursuant to such an agreement shall be held by the Master Trustees. Each mutual fund so selected shall certify the value of Deferred Compensation Plan Trust’s interest in that fund at least annually. The Master Trustees shall be entitled to rely conclusively on such valuation for all purposes under Deferred Compensation Plan Trust.

Section 407. MISCELLANEOUS.

A. Conflict. In resolving any conflict among provisions of Deferred Compensation Plan Trust and in resolving any other uncertainty as to the meaning or intention of any provision of Deferred Compensation Plan Trust, the interpretation that (i) causes the participating deferred compensation plans and Deferred Compensation Plan Trust to satisfy the applicable requirements of IRC Section 457(b) and the Deferred Compensation Plan Trust to be exempt from tax under

IRC Sections 115 and 501(a), and (ii) causes the participating deferred compensation plans and Deferred Compensation Plan Trust to comply with all applicable requirements of law shall prevail over any different interpretation.

B. No Guarantees. Neither the Administrator nor the Master Trustees guarantee the Deferred Compensation Plan Trust from loss or depreciation or the payment of any amount which may become due to any person under the participating deferred compensation plans or this Agreement.

## **PART 5 – OTHER POST-EMPLOYMENT BENEFIT PLAN TRUST**

### Section 500. APPLICATION.

The provisions of Part 5 apply to the Other Post-Employment Benefit Plan Trust and the participating post-employment benefit plans of Participating Employers other than pension plans.

### Section 501. ESTABLISHMENT OF OTHER POST-EMPLOYMENT BENEFIT PLAN TRUST.

The Participating Employers with post-employment benefit plan or plans other than pension plans establish with the Master Trustees, and the Master Trustees hereby accept, an Other Post-Employment Benefit Plan Trust for the exclusive benefit of such Participating Employers' Participating Employees and their Beneficiaries consisting of such cash or other property acceptable to the Master Trustees as shall be transferred to the Master Trustees from time to time by the trustee of any Participating Employer's other post-employment benefit plan or plans, as provided in Section 502 hereof, for investment in the Master Trust Fund, together with the earnings, income, additions and appreciation thereon and thereto.

### Section 502. ADMINISTRATION OF OTHER POST-EMPLOYMENT BENEFIT PLAN TRUST.

A. General. The Master Trustees shall receive and accept for the purposes hereof all property paid to them by or at the direction of the Participating Employers and Participating Employees and shall hold, invest, reinvest, manage, administer and distribute property and the increments, proceeds, earnings and income thereof for the exclusive benefit of the Participating Employees and their Beneficiaries under the participating other post-employment benefit plans. All such assets shall be held by the Master Trustees in the Other Post-Employment Benefit Plan Trust. The Master Trustees have authority:

1. to invest, manage and distribute the assets of the Other Post-Employment Benefit Plan Trust;
2. to establish and accumulate as part of the Master Trust Fund an adequate reserve to carry out the purposes of the Other Post-Employment Benefit Plan Trust;

3. to pay any federal, state or local taxes or fees, which may be properly imposed on or levied against the Other Post-Employment Benefit Plan Trust or benefits paid therefrom; and

4. if deemed appropriate and advisable, to pay premiums on separately administered life or other insurance coverage on the lives of Participating Employees of Participating Employers with participating other post-employment benefit plans.

B. Exclusive Benefit Rule. Except as otherwise provided by any applicable provision of any statute, regulation, ordinance, resolution or other post-employment benefit plan, no portion of the vested principal or the income of the Other Post-Employment Benefit Plan Trust shall revert to any Participating Employer, or ever be used for or diverted to any purpose other than for (i) the exclusive benefit of Participating Employees in the participating post-employment benefit plans and persons claiming under or through them pursuant to such plans and (ii) the payment of reasonable expenses of such plans and the Other Post-Employment Benefit Plan Trust. The Master Trustees shall administer the Other Post-Employment Benefit Plan Trust in compliance with IRC Section 503(b).

C. Contributions. The Administrator shall have the responsibility for accepting contributions by Participating Employers. Neither the Master Trustees nor the Administrator shall be under any duty to determine whether the amount of any contribution is in accordance with the Participating Employer's other post-employment benefit plan or plans or to collect or enforce payment of any contribution. All contributions under the participating other post-employment benefit plans shall be transferred to the Other Post-Employment Benefit Plan Trust to be held, managed, invested and distributed as part of the Other Post-Employment Benefit Plan Trust by the Master Trustees in accordance with the provisions of the Plans and applicable law. All benefits under the Plans shall be distributed solely from the Other Post-Employment Benefit Plan Trust and Participating Employers shall have no financial liability therefor other than the obligation to make contributions to the Other Post-Employment Benefit Plan Trust as provided in the Plans.

D. Other Post-Employment Benefit Plans. All references in this Part 5 to other post-employment benefit plans shall mean the participating other post-employment benefit plans of the Participating Employers in the Other Post-Employment Benefit Plan Trust. The participating other post-employment benefit plans, as amended from time to time, shall be incorporated herein by reference, and the terms herein shall have the meanings attributed to them in such plans.

E. Property. The word "property" used for the Other Post-Employment Benefit Plan Trust shall be deemed to refer to any property, real or personal, or part interest therein, wherever situated, including, but without being limited to, preferred and common stocks, shares of investment companies, bonds, notes, debentures and mortgages, equipment trust certificates, investment trust certificates, interest in partnerships whether limited or general, or in any insurance contract, policy, annuity or other investment media offered by an insurance company.

F. Applicable Laws and Regulations. The Master Trustees shall be authorized to take the steps they deem necessary or appropriate to comply with any laws or regulations applicable to any participating other post-employment benefit plan of a Participating Employer.

Section 503. PARTICIPATING EMPLOYERS WITH AN OTHER POST-EMPLOYMENT BENEFIT PLAN OR PLANS.

A. Approval. Before the approval of the participation of any Employer that has an other post-employment benefit plan not established as a Plan by the Master Trustees, such plan must be approved for actuarial soundness by an actuary selected by the Master Trustees or Administrator, if required, unless such requirement is waived by the Master Trustees.

B. Accumulated Share. No Participating Employer shall have any right, title or interest in or to any specific assets of the Master Trust Fund, but shall have an undivided beneficial interest in the Master Trust Fund; however, there shall be a specific accounting of assets allocable to each Participating Employer and each participating Plan.

Section 504. DEPOSITS AND DISBURSEMENTS FROM THE TRUST.

A. Trust Deposits. The Master Trustees hereby delegate to the Administrator the responsibility for accepting deposits to the Other Post-Employment Benefit Plan Trust.

B. Trust Payments. The Master Trustees hereby delegate to the Administrator the responsibility for making payments from the Other Post-Employment Benefit Plan Trust. The Administrator shall make payments from the Other Post-Employment Benefit Plan Trust to Participating Employees, their Beneficiaries and such other persons as the appropriate participating other post-employment benefit plans may provide. Such payments shall be made in such manner, in such amounts and for such purposes, including the payment of Benefits under participating other post-employment benefit plans and the payment of expenses of administration of the participating other post-employment benefit plans, as may be specified in the participating other post-employment benefit plans. Payments from the Other Post-Employment Benefit Plan Trust shall be made by check (or the check of an agent) or deposit to the order of the payee. Payments or other distributions hereunder may be mailed to the payee at the address last furnished to the Administrator. The Master Trustees shall not incur any liability or other damage on account of any payment or other distribution made by the Other Post-Employment Benefit Plan Trust in accordance with this Section.

C. Allocation of Expenses. The Master Trustees shall pay all expenses of the Other Post-Employment Benefit Plan Trust from the assets in the Other Post-Employment Benefit Plan Trust. All expenses of the Other Post-Employment Benefit Plan Trust, which are allocable to a particular investment option or account, may be allocated and charged to such investment option or account as determined by the Master Trustees. All expenses of the Other Post-Employment Benefit Plan Trust which are not allocable to a particular investment option or account shall be charged to each such investment option or account in the manner established by the Master Trustees.

Section 505. INVESTMENT OPTIONS.

The Master Trustees, in accordance with applicable provisions of the participating other post-employment benefit plans, may establish one (1) or more investment options within the Other Post-Employment Benefit Plan Trust, each option being hereinafter referred to as an “investment

option.” The Master Trustees shall transfer to each such investment option such portion of the assets of the Other Post-Employment Benefit Plan Trust as appropriate. The Master Trustees shall manage, acquire or dispose of the assets in an investment option in accordance with valid specific investment directions given by the Participating Employers or Participating Employees. All income received with respect to, and all proceeds received from, the disposition of property held in an investment option shall be credited to, and reinvested in, such investment option. The Master Trustees shall establish at least one (1) default investment option in the absence of valid Participating Employer or Participating Employee investment direction.

From time to time, the Master Trustees may eliminate an investment option, and the proceeds thereof shall be reinvested in another investment option in accordance with the directions of the Master Trustees.

#### Section 506. INVESTMENT IN INSURANCE CONTRACTS.

The Master Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with insurance companies qualified to do business in the State of Florida. Any asset invested pursuant to such an agreement shall be held by the insurance company. Each insurance company so selected shall certify the value of the Other Post-Employment Benefit Plan Trust’s interest in the property held by it at least annually. The Master Trustees shall be entitled to rely conclusively on such valuation for all purposes under the Other Post-Employment Benefit Plan Trust.

#### Section 507. INVESTMENT IN MUTUAL FUNDS.

The Master Trustees may offer one (1) or more investment options pursuant to one (1) or more agreements with companies offering mutual fund products. Any asset invested pursuant to such an agreement shall be held by the Master Trustees. Each mutual fund so selected shall certify the value of the Other Post-Employment Benefit Plan Trust’s interest in that fund at least annually. The Master Trustees shall be entitled to rely conclusively on such valuation for all purposes under the Other Post-Employment Benefit Plan Trust.

#### Section 507. MISCELLANEOUS.

A. Conflict. In resolving any conflict among provisions of the Other Post-Employment Benefit Plan Trust and in resolving any other uncertainty as to the meaning or intention of any provision of the Other Post-Employment Benefit Plan Trust, the interpretation that (i) causes the Other Post-Employment Benefit Plan Trust to be exempt from tax under IRC Sections 115 and 501(a), and (ii) causes the participating other post-employment benefit plan and the Other Post-Employment Benefit Plan Trust to comply with all applicable requirements of law shall prevail over any different interpretation.

B. No Guarantees. Neither the Administrator nor the Master Trustees guarantee the Other Post-Employment Benefit Plan Trust from loss or depreciation or the payment of any amount which may become due to any person under any participating other post-employment benefit plan or this Agreement.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the Master Trustees have caused this Master Trust Agreement to be amended and restated as of the 29th day of November, 2018.

Passed and adopted by the Master Trustees of the Florida Municipal Pension Trust Fund this 29th day of November, 2018.

  
Chair of the Master Trustees

Accepted by the Administrator

FLORIDA LEAGUE OF CITIES, INC.

By: 

Executive Director

STATE OF FLORIDA, COUNTY OF LEON

I HEREBY CERTIFY that the above and foregoing is a true and correct copy of an instrument recorded in the official records of Leon County, Florida.

WITNESS my hand and seal of office this 5 day of Dec, 2018.

GWEN MARSHALL  
Clerk of County Court

 D.C.





**TRUST JOINDER AGREEMENT  
FOR DEFINED BENEFIT PLANS UNDER  
FLORIDA MUNICIPAL PENSION TRUST FUND  
MASTER TRUST AGREEMENT**

**THIS TRUST JOINDER AGREEMENT**, between the Town of Davie, Florida (herein referred to as the "Participating Employer") and the Master Trustees of the Florida Municipal Pension Trust Fund (herein referred to as the "Master Trustee").

**WITNESSETH:**

**WHEREAS**, the Participating Employer desires to provide a defined benefit plan for the sole and exclusive benefit of its Participating Employees and their Beneficiaries, and for such purposes adopted by Ordinance No. 2004-2 on the 7<sup>th</sup> day of January, 2004 providing for the establishment of a defined benefit plan;

**WHEREAS**, said Ordinance authorizes participation in the Florida Municipal Pension Trust Fund ("FMPTF") and further authorizes the execution of this Trust Joinder Agreement to become a party to the FMPTF Master Trust Agreement; and

**WHEREAS**, the Participating Employer desires to submit this Trust Joinder Agreement to the Master Trustee to become a party to the FMPTF Master Trust Agreement;

**THEREFORE**, in consideration of the mutual covenants and agreements flowing to each of the parties hereto, it is agreed as follows:

1. Both parties to this Trust Joinder Agreement agree that the Town of Davie, Florida is a Participating Employer as provided in the Florida Municipal Pension Trust Fund Master Trust Agreement ("Master Trust Agreement").
2. As provided in the plan provisions selected by the Participating Employer, the Participating Employer shall make timely contributions or shall timely forward contributions made by Participating Employees for the defined benefit plan.
3. As provided in the plan provisions selected by the Participating Employer, the Participating Employer shall timely remit or timely approve the remittance of administrative fees as may be due under the defined benefit plan.
4. The Participating Employer agrees to provide all initial and update all relevant Participating Employee information required under the defined benefit plan to the Administrator designated by the Master Trustee. The Participating Employer shall certify said information to be correct to the best of its knowledge and the Master Trustee and the Administrator shall have the right

to rely on the accuracy of said information in performing contractual responsibilities.

5. The Participating Employer has the responsibility to provide the Administrator designated by the Master Trustee, in a timely manner, all information concerning Participating Employee termination. The Participating Employer shall certify said information to be correct to the best of its knowledge and the Master Trustee and the Administrator shall have the right to rely on the accuracy of said information in performing contractual responsibilities.
6. The parties to this Trust Joinder Agreement agree to abide by and be bound by the terms, duties, rights and obligations of the parties as set forth in the Florida Municipal Pension Trust Fund Master Trust Agreement, as may be amended by the Master Trustees, which is attached hereto and is made a part of this Trust Joinder Agreement.
7. Either party may terminate this Trust Joinder Agreement by giving at least 60 days notice in writing to the other party. Any termination shall be governed by the provisions of the Florida Municipal Pension Trust Fund Master Trust Agreement and the plan document for the defined benefit plan.

**IN WITNESS WHEREOF**, the Participating Employer has caused this Trust Joinder Agreement to be executed and the signature of its authorized officer affixed this 7<sup>th</sup> day of January, 2004.

TOWN OF DAVIE

BY: \_\_\_\_\_

Signature

Tom TRUEX, Mayor  
(Name and Title)

ATTEST:

[Signature]

DATE:

January 7, 2004

FLORIDA MUNICIPAL PENSION TRUST FUND

BY: \_\_\_\_\_

Secretary - Treasurer

**RETIREMENT PLAN AND TRUST FOR THE **GENERAL NON-REPRESENTED****  
**EMPLOYEES OF THE**  
**TOWN OF DAVIE, FLORIDA**  
***HIRED PRIOR TO OCTOBER 1, 2013***

**Summary Plan Description**

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**Plan Trustee**

Florida Municipal Pension Trust Fund

**Plan Administrator**

Florida League of Cities, Inc.  
301 S. Bronough Street  
Tallahassee, FL 32301

**Plan**

Plan representing the General  
Non-Represented Employees of  
the Town of Davie

**Agent for Legal Process**

Town Attorney – Town of Davie  
6591 Orange Drive  
Davie, FL 33314

**Plan Effective Date**

10/01/2003

**Plan Anniversary Date**

October 1 each year

**Plan Year**

Fiscal Year: Twelve month period beginning  
10/01 and ending 09/30

**Eligibility**

All full-time Non-represented General Employees hired prior to October 1, 2013.

**Salary:**

Total cash remuneration for Non-represented General members shall exclude the following:

1. Overtime in excess of 300 hours; and
2. Accrued unused annual or sick leave (“accumulated leave”) in excess of the hours accrued by the Non-represented members as of June 30, 2011. The number of hours of accumulated leave used to calculate pension benefits for Non-represented members shall be the lesser of the number of hours of accumulated leave on June 30, 2011 or the number of hours of accumulated leave on the member’s retirement date; and
3. Benefit Choice Dollars.

**Credited Service**

If an Employee is hired after October 1, 2003 (or October 1, 2006 if in a position that was previously classified as represented), credited service shall mean the total number of years and fractional parts of years of service measured from date of employment. If an employee is a current employee as of October 1, 2003 (or October 1, 2006 if in a position that was previously classified as represented), credited service shall mean the total number and fractional parts of years of service measured from the date of entry into the plan and the total number and fractional parts of years of service purchased at actual actuarial cost.

**Purchase of Credited Service**

Participants of the Plan shall have the option to purchase up to five (5) years of credited service from another employer at full actuarial cost. If hired after October 1, 2003, the participant must purchase within five (5) years of becoming a member of the Plan.

**Average Final Compensation**

One-twelfth of the highest average earnings during the five best years of creditable service, prior to separation as an active member or the career average, whichever is greater.

**Normal Form of Benefit**

The normal form of benefit is a single life annuity.

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Updated March 2020

General Non-Represented Employees hired prior to 10/1/2013

Page 1 of 4

*This summary was designed to provide a brief description of the benefits provided and does not include all the provisions or exclusions in the Plan Document. The Employee should not rely on this information in making retirement decisions. If this outline disagrees with the Plan Document in any way, the Plan Document will govern.*

**Normal Retirement Date**

The first day of the month coincident with, or next following attainment of age sixty (60) and six (6) years of Vested Service or age fifty-six (56) and thirty (30) years of Vested Service.

**Normal Retirement Benefit:**

The monthly retirement benefit shall be equal to the number of years and fractional parts of years of credited service multiplied by 2% and multiplied by Average Final Compensation.

**Coordination of benefits for Promoted Management Employees:**

For Promoted Management Employees hired prior to 10/1/13 benefit shall be coordinated as follows between Credited Service earned as Management Employee:

**Vesting:** Participants shall be deemed vested after earnings three (3) or more years of Credited Service as a Management Employee. Participants with less than three (3) years of Credited Service as a Management Employee shall be deemed vested after earning a total of six (6) years of Credited Service. If a Participant has not earned three (3) or more years of Credited Service as a Management Employee, Credited Service as a General Employee and as a Management Employee shall be aggregated in order to meet the six (6) year vesting requirement.

**Separate Normal Retirement Dates:** Management Employee benefits shall be paid beginning on the Normal Retirement Date for Management Employees, pursuant to Section 1.19. General Employee benefits shall be paid beginning on the Normal Retirement Date for General Employees, pursuant to Section 1.19.

**Separate Benefit Calculations:** Management Employee benefits shall be calculated using the three percent (3%) multiplier applied to Credited Service as a Management Employee. General Employee benefits shall be calculated using the two percent (2%) multiplier applied to Credited Service as a General Employee.

**Ability to Upgrade prior General Employee Service:** General Employee Participants who are promoted to Management Employee shall be permitted to upgrade their Credited Service as a General Employee to Credited Service as a Management Employee by paying the full actuarial cost of the upgraded service, provided that the Participant independently vests pursuant to subsection 6.02 3(a). Participants may elect to upgrade Credited Service at any time after being promoted, provided that the full actuarial cost is paid by the Participant. Upgraded service may not be used for vesting purposes under subsection 6.02 3(a).

**Disability****Non-Duty Disability Benefit:**

Any employee who shall become Totally and Permanently Disabled, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a disability benefit. The employee shall bear the burden of proof. General Employee Members hired prior to October 1, 2013, who have completed six (6) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit. If a General Employee has less than six (6) years of Vested Service, they will receive a return of their employee contribution, if applicable, with six percent (6%) interest.

**Duty Disability Benefit:**

All members, regardless of date of hire, shall be entitled to a duty disability benefit if they become Totally and Permanently disabled in the line of duty, regardless of length of service. The duty benefit shall be the accrued benefit, but shall not be less than twenty percent (20%) of Average Final Compensation at the time of disability.

Any employee who shall prove that they became Totally and Permanently Disabled in the line of duty, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a duty disability benefit. The employee shall bear the burden of proof.

### **Death Benefit prior to Vesting**

If a member dies prior to Normal Retirement Date, and has less than six (6) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

### **Death Benefit after Vesting**

If a member dies prior to retirement and he or she is vested, his or her beneficiary shall receive the pension benefit otherwise payable to the member at the Normal Retirement Date or earlier at an actuarial equivalent.

### **Termination of Employment and Vesting**

If a member has less than six (6) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution, including rollovers, with six percent (6%) interest, or the member may leave it deposited with the Fund pending future employment with the Town of Davie.

If a member has six (6) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal retirement date provided he or she does not elect to withdraw his or her contributions and provided he or she survives to his or her normal or early retirement date.

### **Employee Contributions**

All active members shall contribute one percent (1%) of salary. (Ordinance 2013-18)

Effective October 10, 2013, all active members shall contribute one and one-half percent (1.5%) of salary.

Effective October 9, 2014, all active members shall contribute two and one-half percent (2.5%) of salary.

### **Cost of Living Adjustment**

A three percent (3%) cost of living increase is awarded to benefit payments each year a benefit is in force after the benefit has been paid for five (5) years. This increase will begin with the sixty-first payment and adjusted annually.

### **Deferred Retirement Option Program "DROP"**

An eligible member may elect to participate in the DROP for a period not to exceed a maximum of 60 calendar months, provided that the member elects to participate in DROP within five years of the date the member first reaches their Normal Retirement Date. Interest accrues at 6.5% annually.

### **Forfeiture of Pension**

Any Participant who is convicted of any of the following offenses committed prior to retirement, or whose employment is terminated by reason of his or her admitted commission, aid or abetment of the following specified offenses, shall forfeit all rights and benefits under this Fund, except for the return of his or her accumulated contributions as of the date of termination.

- (A) Specified offenses are as follows:
  - (1) The committing, aiding or abetting of an embezzlement of public funds;
  - (2) the committing, aiding or abetting of any theft by a public officer or employee from employer;
  - (3) bribery in connection with the employment of a public officer or employee;
  - (4) any felony specified in Chapter 838, Florida Statutes;
  - (5) the committing of an impeachable offense.
- (B) The committing of any felony by a public officer or employee who willfully and with intent to defraud the public or the public agency, for which he or she acts or in which he or she is employed, of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or for some other person through the use or attempted use of the power, rights, privileges, duties or position of his or her public office or employment position.
  - (1) Conviction shall be defined as follows: An adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.
  - (2) Court shall be defined as follows: Any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the Board shall hold a hearing on which notice shall be given to the Participant whose benefits are being considered for forfeiture. Said Participant shall be afforded the

right to have an attorney present. No formal rules of evidence shall apply, but the Participant shall be afforded a full opportunity to present his or her case against forfeiture.

Any Participant who has received benefits from the Plan in excess of his or her accumulated contributions after Participant's rights were forfeited pursuant to this section shall be required to pay back to the Fund the amount of the benefits received in excess of his or her accumulated contributions. The Board may implement all legal action necessary to recover such funds.

#### **Alimony, Child Support, and Property Distribution**

Under state law and local ordinance, this Plan is exempt from claims of creditors. The only exception is a court award of child support or alimony. Under Florida law there is a specific exemption permitting these payments to be made from the Plan. Florida law does not permit direct payment of property settlement rights. A former spouse cannot receive a benefit until the member retires and starts receiving benefits from the Plan.

Effective January 1, 2019, changes in federal tax laws have eliminated tax deductions for alimony if a marriage was dissolved or a property settlement agreement was made on or after January 1, 2019. Modifications to existing order or agreements on or after January 1, 2019, may be tax deductible if both parties agree.

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Members are encouraged to submit draft copies of divorce orders to the Board for review, prior to entry of a final divorce decree. In the event that an order requires correction for failure to comply with the terms of the Plan, fees and costs incurred by the Plan shall be reimbursed by the member.

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The Plan is funded through contributions made by the Town and Employees.

#### **Applicable Regulations Governing Establishment, Operation and Administration of the Plan**

Chapter 112, Part VII, Florida Statutes; Chapter 60T-1, FAC, Internal Revenue Code

#### **Board of Trustees**

John Phillips, Chair  
William Ackerman, Vice Chair  
Evelyn Roig, Secretary  
Grace Garagozzo  
Kevin Montaldi

#### **Mailing Address for Board of Trustees:**

Town of Davie  
6591 Orange Drive  
Davie, FL 33314

A member applying for a benefit has the right to request a formal hearing. Copies of the Board's formal policies are available upon request.

#### **The following documents are attached:**

1. Report of actuarial summary

2021 Florida Local Government Retirement Systems Actuarial Fact Sheet

<b>City/District Name:</b> Davie - General & Mgmt		<b>Employee group(s) covered:</b> General	
<b>Current actuarial valuation date:</b> 10/1/2020		<b>Plan Status:</b> Active	<b>Date prepared:</b> 1/13/2022
<b>Number of plan participants:</b> 460		<b>GASB 67 Reporting</b>	
<b>Actuarial Value of Plan Assets (AVA):</b> \$87,731,538		<b>Discount Rate</b>	7.00%
<b>Actuarial Accrued Liability (AAL):</b> \$89,777,871		<b>Total Pension Liability</b>	89,950,391
<b>Unfunded Accrued Liability (UAL):</b> \$2,046,333		<b>Market Value of Plan Assets</b>	87,068,827
<b>Market Value of Plan Assets (MVA):</b> \$87,192,130		<b>Net Pension Liability</b>	2,881,564
<b>MVA Funded Ratio (5-year history):</b>		<b>GASB 67 Funded Ratio</b>	96.80%
		Averages for all plans with 2020 current actuarial valuation date	
Current valuation		97.12%	90.52% *
1 year prior		103.73%	86.77% *
2 years prior		102.34%	89.02% *
3 years prior		97.64%	86.31% *
4 years prior		89.54%	82.76% *
<b>Rate of Return:</b>	Actuarial Value, Actual (2020 Plan Year)	23.30%	8.10%
	Market Value, Actual	6.70%	8.39%
	Assumed	7.00%	7.10%
<b>Funding requirement as percentage of payroll:</b>		18.42%	60.19% **
<b>Percentage of payroll contributed by employee:</b>		2.81%	6.48% **
<b>Funding requirement as dollar amount:</b>		3,698,190	N/A
<b>Benefit Formula Description:</b>		1.80% X AFC X SC	
<b>AFC Averaging Period (years):</b>		6	
<b>Employees covered by Social Security?</b>		No	

**Additional actuarial disclosures required by section 112.664, Florida Statutes:**

Florida Statute Chapter	Discount Rate	Pension Liability	Market Value of Plan Assets	Net Pension Liability	Years assets sustain benefit payments	Total Dollar Contribution	Total % of Pay Contribution
112.664(1)(a)	7.00%	89,777,871	86,706,685	3,071,186	29.08	3,698,190	18.42
112.664(1)(b)	5.00%	120,464,441	86,706,685	33,757,756	21.94	9,164,017	45.64
Valuation Basis	7.00%	N/A	N/A	N/A	29.08	3,698,190	18.42

Link to annual financial statements:

<https://frs.fl.gov/forms/LOC5340180PDF10012020N1.pdf>

\*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean

\*\*Excludes plans with zero payroll

(For explanation of terms, see glossary on page 2)

## Actuarial Summary Fact Sheet – Glossary of Terms

<b>Plan Status:</b>	Active, Closed (closed to new entrants) and Frozen (closed to new entrants and no further benefit accruals)
<b>Actuarial Value of Plan Assets (AVA):</b>	Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.
<b>Actuarial Accrued Liability (AAL):</b>	Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.
<b>Unfunded Accrued Liability (UAL):</b>	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.
<b>Market Value of Plan Assets (MVA):</b>	The fair market value of assets, including DROP accounts.
<b>MVA Funded Ratio:</b>	Market Value of Plan Assets divided by Actuarial Accrued Liability (GASB)
<b>Rate of Return (Assumed):</b>	Assumed long-term rate of return on the pension fund assets.
<b>Funding requirement as percentage of payroll:</b>	Total Required Contribution (employer and employee) divided by total payroll of active participants. No interest adjustment is included.
<b>Funding requirement as dollar amount:</b>	Total Required Contribution (employer and employee). No interest adjustment is included.
<b>AFC:</b>	Average Final Compensation or some variant of compensation (e.g., AME [Average Monthly Earnings], FAC [Final Average Compensation], FMC [Final Monthly Compensation] etc.)
<b>SC:</b>	Service Credit

## Section 112.664 – Glossary of Terms

<b>Florida Statute Chapter:</b>	<p>112.664(1)(a) – uses mortality tables used in either of the two most recently published FRS valuation reports, with projection scale for mortality improvement</p> <p>112.664(1)(b) – uses same mortality assumption as 112.664(1)(a) but using an assumed discount rate equal to 200 basis points (2.00%) less than plan's assumed rate of return.</p> <p>Valuation Basis – uses all the assumptions in the plan's valuation as of the current actuarial valuation date.</p>
<b>Discount Rate:</b>	Rate used to discount the liabilities. Typically the same as assumed rate of return on assets.
<b>Total Pension Liability:</b>	Actuarial Accrued Liability measured using the appropriate assumptions as specified above and the Traditional Individual Entry Age Normal Cost method.
<b>Net Pension Liability:</b>	Total Pension Liability minus Market Value of Plan Assets.
<b>Years assets sustain benefit payments:</b>	Assuming no future contributions from any source, the number of years the market value of assets will sustain payment of expected retirement benefits. The number of years will vary based on the Florida Statute Chapter assumption.
<b>Total Dollar Contribution:</b>	Required contribution from all sources (i.e., employee and sponsor). Contribution will vary based on the Florida Statute Chapter assumption.
<b>Total % of Pay Contribution:</b>	Total Dollar Contribution divided by total payroll of active participants
<b>Annual financial statements:</b>	A report issued which covers a local government retirement system or plan to satisfy the financial reporting requirements of section 112.664(1), F.S.



**RETIREMENT PLAN AND TRUST FOR THE GENERAL REPRESENTED**  
**EMPLOYEES OF THE**  
**TOWN OF DAVIE, FLORIDA**  
**HIRED PRIOR TO OCTOBER 1, 2013**  
**Summary Plan Description**

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**Plan Trustee**

Florida Municipal Pension Trust Fund

**Plan Administrator**

Florida League of Cities, Inc.  
301 S. Bronough Street  
Tallahassee, FL 32301

**Plan**

Plan representing the General  
Represented Employees of  
the Town of Davie

**Agent for Legal Process**

Town Attorney – Town of Davie  
6591 Orange Drive  
Davie, FL 33314

**Plan Effective Date**

10/01/2003

**Plan Anniversary Date**

October 1 each year

**Plan Year**

Fiscal Year: Twelve month period beginning  
10/01 and ending 09/30

**Eligibility**

All full-time Represented General Employees hired prior to October 1, 2013.

**Salary:**

Salary means the total cash remuneration paid to an employee for services rendered. Total cash remuneration for Represented General members shall exclude the following:

1. Overtime in excess of 300 hours; and
2. Accrued unused annual or sick leave (“accumulated leave”) in excess of the hours accrued by the Represented General members as of September 30, 2012. The number of hours of accumulated leave used to calculate pension benefits for Represented General members shall be the lesser of the number of hours of accumulated leave on September 30, 2012 or the number of hours of accumulated leave on the member’s retirement date; and
3. Benefit Choice Dollars; and
4. Special detail.

**Credited Service**

If Represented Employee is hired after October 1, 2006 (or October 1, 2003 if in a position that was previously classified as non-represented), the total number of years and fractional parts of years of service measured from date of employment. If employee is a current employee as of October 1, 2006 (or October 1, 2003 if in a position that was previously classified as non-represented), credited service shall mean the total number and fractional parts of years of service measured from October 1, 2006 (or October 1, 2003 if in a position that was previously classified as non represented) and the total number and fractional parts of years of service purchased at actual actuarial cost.

**Purchase of Credited Service**

Participants of the Plan shall have the option to purchase up to five (5) years of credited service from another employer at full actuarial cost. If hired after October 1, 2006, the participant must purchase within five (5) years of becoming a member of the Plan.

**Average Final Compensation**

One-twelfth of the highest average earnings during the five best years of creditable service, prior to separation as an active member or the career average, whichever is greater.

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Updated March 2020

General Represented Employees hired prior to 10/1/2013

Page 1 of 4

*This summary was designed to provide a brief description of the benefits provided and does not include all the provisions or exclusions in the Plan Document. The Employee should not rely on this information in making retirement decisions. If this outline disagrees with the Plan Document in any way, the Plan Document will govern.*

**Normal Form of Benefit**

The normal form of benefit is a single life annuity.

**Normal Retirement Date**

The first day of the month coincident with, or next following attainment of age sixty (60) and six (6) years of Vested Service or age fifty-six (56) and thirty (30) years of Vested Service.

**Normal Retirement Benefit:**

The monthly retirement benefit shall be equal to the number of years and fractional parts of years of credited service multiplied by 2% and multiplied by Average Final Compensation.

**Coordination of benefits for Promoted Management Employees:**

For Promoted Management Employees hired prior to 10/1/13, the benefit shall be coordinated as follows between Credited Service earned as Management Employee:

**Vesting:** Participants shall be deemed vested after earnings three (3) or more years of Credited Service as a Management Employee. Participants with less than three (3) years of Credited Service as a Management Employee shall be deemed vested after earning a total of six (6) years of Credited Service. If a Participant has not earned three (3) or more years of Credited Service as a Management Employee, Credited Service as a General Employee and as a Management Employee shall be aggregated in order to meet the six (6) year vesting requirement.

**Separate Normal Retirement Dates:** Management Employee benefits shall be paid beginning on the Normal Retirement Date for Management Employees, pursuant to Section 1.19. General Employee benefits shall be paid beginning on the Normal Retirement Date for General Employees, pursuant to Section 1.19.

**Separate Benefit Calculations:** Management Employee benefits shall be calculated using the three percent (3%) multiplier applied to Credited Service as a Management Employee. General Employee benefits shall be calculated using the two percent (2%) multiplier applied to Credited Service as a General Employee.

**Ability to Upgrade prior General Employee Service:** General Employee Participants who are promoted to Management Employee shall be permitted to upgrade their Credited Service as a General Employee to Credited Service as a Management Employee by paying the full actuarial cost of the upgraded service, provided that the Participant independently vests pursuant to subsection 6.02 3(a). Participants may elect to upgrade Credited Service at any time after being promoted, provided that the full actuarial cost is paid by the Participant. Upgraded service may not be used for vesting purposes under subsection 6.02 3 (a).

**Disability****Non-Duty Disability Benefit:**

Any employee who shall become Totally and Permanently Disabled, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a disability benefit. The employee shall bear the burden of proof. General Employee Members hired prior to October 1, 2013, who have completed six (6) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit. If a General Employee has less than six (6) years of Vested Service, they will receive a return of their employee contribution, if applicable, with six percent (6%) interest.

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Any employee who shall prove that they became Totally and Permanently Disabled in the line of duty, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a duty disability benefit. The employee shall bear the burden of proof.

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Updated March 2020

Page 2 of 4

General Represented Employees hired prior to 10/1/2013

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<b>Number of plan participants:</b> 460		<b>GASB 67 Reporting</b>	
<b>Actuarial Value of Plan Assets (AVA):</b> \$87,731,538		<b>Discount Rate</b>	7.00%
<b>Actuarial Accrued Liability (AAL):</b> \$89,777,871		<b>Total Pension Liability</b>	89,950,391
<b>Unfunded Accrued Liability (UAL):</b> \$2,046,333		<b>Market Value of Plan Assets</b>	87,068,827
<b>Market Value of Plan Assets (MVA):</b> \$87,192,130		<b>Net Pension Liability</b>	2,881,564
<b>MVA Funded Ratio (5-year history):</b>		<b>GASB 67 Funded Ratio</b>	96.80%
		Averages for all plans with 2020 current actuarial valuation date	
Current valuation	97.12%	90.52%	*
1 year prior	103.73%	86.77%	*
2 years prior	102.34%	89.02%	*
3 years prior	97.64%	86.31%	*
4 years prior	89.54%	82.76%	*
<b>Rate of Return:</b>	Actuarial Value, Actual (2020 Plan Year)	23.30%	8.10%
	Market Value, Actual	6.70%	8.39%
	Assumed	7.00%	7.10%
<b>Funding requirement as percentage of payroll:</b>		18.42%	60.19% **
<b>Percentage of payroll contributed by employee:</b>		2.81%	6.48% **
<b>Funding requirement as dollar amount:</b>		3,698,190	N/A
<b>Benefit Formula Description:</b>		1.80% X AFC X SC	
<b>AFC Averaging Period (years):</b>		6	
<b>Employees covered by Social Security?</b>		No	

**Additional actuarial disclosures required by section 112.664, Florida Statutes:**

Florida Statute Chapter	Discount Rate	Pension Liability	Market Value of Plan Assets	Net Pension Liability	Years assets sustain benefit payments	Total Dollar Contribution	Total % of Pay Contribution
112.664(1)(a)	7.00%	89,777,871	86,706,685	3,071,186	29.08	3,698,190	18.42
112.664(1)(b)	5.00%	120,464,441	86,706,685	33,757,756	21.94	9,164,017	45.64
Valuation Basis	7.00%	N/A	N/A	N/A	29.08	3,698,190	18.42

Link to annual financial statements:

<https://frs.fl.gov/forms/LOC5340180PDF10012020N1.pdf>

\*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean

\*\*Excludes plans with zero payroll

(For explanation of terms, see glossary on page 2)

## Actuarial Summary Fact Sheet – Glossary of Terms

<b>Plan Status:</b>	Active, Closed (closed to new entrants) and Frozen (closed to new entrants and no further benefit accruals)
<b>Actuarial Value of Plan Assets (AVA):</b>	Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.
<b>Actuarial Accrued Liability (AAL):</b>	Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.
<b>Unfunded Accrued Liability (UAL):</b>	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.
<b>Market Value of Plan Assets (MVA):</b>	The fair market value of assets, including DROP accounts.
<b>MVA Funded Ratio:</b>	Market Value of Plan Assets divided by Actuarial Accrued Liability (GASB)
<b>Rate of Return (Assumed):</b>	Assumed long-term rate of return on the pension fund assets.
<b>Funding requirement as percentage of payroll:</b>	Total Required Contribution (employer and employee) divided by total payroll of active participants. No interest adjustment is included.
<b>Funding requirement as dollar amount:</b>	Total Required Contribution (employer and employee). No interest adjustment is included.
<b>AFC:</b>	Average Final Compensation or some variant of compensation (e.g., AME [Average Monthly Earnings], FAC [Final Average Compensation], FMC [Final Monthly Compensation] etc.)
<b>SC:</b>	Service Credit

## Section 112.664 – Glossary of Terms

<b>Florida Statute Chapter:</b>	<p>112.664(1)(a) – uses mortality tables used in either of the two most recently published FRS valuation reports, with projection scale for mortality improvement</p> <p>112.664(1)(b) – uses same mortality assumption as 112.664(1)(a) but using an assumed discount rate equal to 200 basis points (2.00%) less than plan's assumed rate of return.</p> <p>Valuation Basis – uses all the assumptions in the plan's valuation as of the current actuarial valuation date.</p>
<b>Discount Rate:</b>	Rate used to discount the liabilities. Typically the same as assumed rate of return on assets.
<b>Total Pension Liability:</b>	Actuarial Accrued Liability measured using the appropriate assumptions as specified above and the Traditional Individual Entry Age Normal Cost method.
<b>Net Pension Liability:</b>	Total Pension Liability minus Market Value of Plan Assets.
<b>Years assets sustain benefit payments:</b>	Assuming no future contributions from any source, the number of years the market value of assets will sustain payment of expected retirement benefits. The number of years will vary based on the Florida Statute Chapter assumption.
<b>Total Dollar Contribution:</b>	Required contribution from all sources (i.e., employee and sponsor). Contribution will vary based on the Florida Statute Chapter assumption.
<b>Total % of Pay Contribution:</b>	Total Dollar Contribution divided by total payroll of active participants
<b>Annual financial statements:</b>	A report issued which covers a local government retirement system or plan to satisfy the financial reporting requirements of section 112.664(1), F.S.

**ARTICLE 26 - PENSION**

- 2017  
2018  
2019 26.1 Except as provided in Sections 26.2, 26.3, and 26.4, below, the Town will maintain the existing  
2020 pension plan ordinance provisions regarding benefits and contributions for bargaining unit  
2021 employees for the duration of this Agreement.  
2022
- 2023 26.2 Effective August 21, 2013, the Town shall not process or administer, or have any involvement in  
2024 any way with any employee loans from the Town's defined contribution 401(a) pension plans.  
2025 Any such loans, if available, must be made directly between the employee and the third-party  
2026 administrator, and must be consistent with all applicable laws and regulations.
- 2027 26.3 Effective the first full pay period in October 2007, the Town increased the Town's contribution to  
2028 eleven and four tenths percent (11.4%) of the salaries of individual bargaining unit members who  
2029 elected to remain in the DC 401(a) pension plan, and no employee contribution to the DC 401(a)  
2030 pension plan will be required.  
2031
- 2032 26.4 The employee contribution increases of two and one-half percent (2.5%) applicable to the  
2033 employees in the first tier of the defined benefit pension plan in Section 26.2 of the 2012-2015  
2034 Agreement, were mutually agreed by the parties provided all members of the first tier of the  
2035 defined benefit pension plan pay the same amount of contribution percentage established in  
2036 Section 26.2 of the 2012-2015 Agreement. If for any reason the Town does not implement or  
2037 reduces the contributions of non-bargaining unit employees in the first tier of the defined benefit  
2038 plan below two and one-half percent (2.5%) during the term of this Agreement, then the parties  
2039 agree that the employee contributions of the bargaining unit employees who are in the first tier of  
2040 the defined benefit plan, shall be reduced to the same amount as the non-bargaining unit  
2041 employees who are in the first tier of the defined benefit plan.  
2042  
2043  
2044  
2045

**RETIREMENT PLAN AND TRUST FOR THE MANAGEMENT EMPLOYEES OF THE  
TOWN OF DAVIE, FLORIDA  
HIRED PRIOR TO OCTOBER 1, 2013**

**Summary Plan Description**

**Plan Trustee**

Florida Municipal Pension Trust Fund

**Plan Administrator**

Florida League of Cities, Inc.  
301 S. Bronough Street  
Tallahassee, FL 32301

**Plan**

Plan representing the Management  
Employees of the Town of Davie

**Agent for Legal Process**

Town Attorney – Town of Davie  
6591 Orange Drive  
Davie, FL 33314

**Plan Effective Date**

10/01/2003

**Plan Anniversary Date**

October 1 each year

**Plan Year**

Fiscal Year: Twelve month period beginning  
10/01 and ending 09/30

**Eligibility**

All Management Employees as listed by position title in the plan document, provided the enumerated positions are W-2 employees and not independent contractors.

**Salary:**

The total cash remuneration paid to a plan participant for services rendered, and any employer contributions made to the employee's 457 account. Total cash remuneration for Management shall exclude the following:

1. Overtime in excess of 300 hours; and
2. Accrued unused annual or sick leave ("accumulated leave") in excess of the hours accrued by the Management members as of June 30, 2011. The number of hours of accumulated leave used to calculate pension benefits for Management members shall be the lesser of the number of hours of accumulated leave on June 30, 2011 or the number of hours of accumulated leave on the member's retirement date; and
3. Benefit Choice Dollars.

**Credited Service**

If an Employee is hired after October 1, 2003, credited service shall mean the total number of years and fractional parts of years of service measured from date of employment. If an employee is a current employee as of October 1, 2003, credited service shall mean the total number and fractional parts of years of service measured from the date of entry into the plan and the total number and fractional parts of years of service purchased at actual actuarial cost.

**Purchase of Credited Service**

Participants of the Plan shall have the option to purchase up to five (5) years of credited service from another employer at full actuarial cost. If hired after October 1, 2003, the participant must purchase within five (5) years of becoming a member of the Plan.

**Average Final Compensation**

One-twelfth of the highest average earnings during the three best years of creditable service, prior to separation as an active member or the career average, whichever is greater.

**Normal Form of Benefit**

The normal form of benefit is a single life annuity.

**Normal Retirement Date**

The first day of the month coincident with, or next following attainment of age fifty-two (52) and three (3) years of Vested Service or age forty-eight (48) and twenty (20) years of Vested Service.



### **Normal Retirement Benefit**

The monthly retirement benefit shall be equal to the number of years and fractional parts of years of credited service multiplied by 3% and multiplied by Average Final Compensation.

### **Coordination of benefits for Promoted Management Employees:**

For Promoted Management Employees hired prior to 10/1/13, the benefit shall be coordinated as follows between Credited Service earned as Management Employee:

**Vesting:** Participants shall be deemed vested after earnings three (3) or more years of Credited Service as a Management Employee. Participants with less than three (3) years of Credited Service as a Management Employee shall be deemed vested after earning a total of six (6) years of Credited Service. If a Participant has not earned three (3) or more years of Credited Service as a Management Employee, Credited Service as a General Employee and as a Management Employee shall be aggregated in order to meet the six (6) year vesting requirement.

**Separate Normal Retirement Dates:** Management Employee benefits shall be paid beginning on the Normal Retirement Date for Management Employees, pursuant to Section 1.19. General Employee benefits shall be paid beginning on the Normal Retirement Date for General Employees, pursuant to Section 1.19.

**Separate Benefit Calculations:** Management Employee benefits shall be calculated using the three percent (3%) multiplier applied to Credited Service as a Management Employee. General Employee benefits shall be calculated using the two percent (2%) multiplier applied to Credited Service as a General Employee.

**Ability to Upgrade prior General Employee Service:** General Employee Participants who are promoted to Management Employee shall be permitted to upgrade their Credited Service as a General Employee to Credited Service as a Management Employee by paying the full actuarial cost of the upgraded service, provided that the Participant independently vests pursuant to subsection 6.02 3(a). Participants may elect to upgrade Credited Service at any time after being promoted, provided that the full actuarial cost is paid by the Participant. Upgraded service may not be used for vesting purposes under subsection 6.02 3(a).

### **Disability**

#### **Non-Duty Disability Benefit:**

Any employee who shall become Totally and Permanently Disabled, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a disability benefit. The employee shall bear the burden of proof. Management Members hired prior to October 1, 2013, who have completed three (3) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit with a minimum of three (3) years Credited Service. If a Management Employee has less than three (3) years of Vested Service, they will receive a return of their employee contribution, if applicable, with six percent (6%) interest.

#### **Duty Disability Benefit:**

All members, regardless of date of hire, shall be entitled to a duty disability benefit if they become Totally and Permanently disabled in the line of duty, regardless of length of service. The duty benefit shall be the accrued benefit, but shall not be less than twenty percent (20%) of Average Final Compensation at the time of disability.

Any employee who shall prove that they became Totally and Permanently Disabled in the line of duty, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a duty disability benefit. The employee shall bear the burden of proof.

### **Death Benefit prior to Vesting**

If a member dies prior to Normal Retirement Date, and has less than three (3) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

### **Death Benefit after Vesting**

If a member dies prior to retirement and he or she is vested, his or her beneficiary shall receive the pension benefit otherwise payable to the member at the Normal Retirement Date or earlier at an actuarial equivalent.

### **Termination of Employment and Vesting**

If a member has less than three (3) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution with six percent (6%) interest, or the member may leave it deposited with the Fund pending future employment with the Town of Davie.

If a member has three (3) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal retirement date, provided he or she does not elect to withdraw his or her contributions and provided he or she survives to his or her normal or early retirement date.

### **Employee Contributions**

All active members shall contribute one percent (1%) of salary. (Ordinance 2013-18)

Effective October 10, 2013, all active members shall contribute one and one-half percent (1.5%) of salary.

Effective October 9, 2014, all active members shall contribute two and one-half percent (2.5%) of salary.

### **Cost of Living Adjustment**

A three percent (3%) cost of living increase is awarded to benefit payments each year a benefit is in force after the benefit has been paid for five (5) years. This increase will begin with the sixty-first payment and adjusted annually.

### **Deferred Retirement Option Program "DROP"**

An eligible member may elect to participate in the DROP for a period not to exceed a maximum of 60 calendar months, provided that the member elects to participate in DROP within five years of the date the member first reaches their Normal Retirement Date. Interest accrues at 6.5% annually.

### **Forfeiture of Pension**

Any Participant who is convicted of any of the following offenses committed prior to retirement, or whose employment is terminated by reason of his or her admitted commission, aid or abetment of the following specified offenses, shall forfeit all rights and benefits under this Fund, except for the return of his or her accumulated contributions as of the date of termination.

- (A) Specified offenses are as follows:
  - (1) The committing, aiding or abetting of an embezzlement of public funds;
  - (2) the committing, aiding or abetting of any theft by a public officer or employee from employer;
  - (3) bribery in connection with the employment of a public officer or employee;
  - (4) any felony specified in Chapter 838, Florida Statutes;
  - (5) the committing of an impeachable offense.
- (B) The committing of any felony by a public officer or employee who willfully and with intent to defraud the public or the public agency, for which he or she acts or in which he or she is employed, of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or for some other person through the use or attempted use of the power, rights, privileges, duties or position of his or her public office or employment position.
  - (1) Conviction shall be defined as follows: An adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.
  - (2) Court shall be defined as follows: Any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the Board shall hold a hearing on which notice shall be given to the Participant whose benefits are being considered for forfeiture. Said Participant shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the Participant shall be afforded a full opportunity to present his or her case against forfeiture.

Any Participant who has received benefits from the Plan in excess of his or her accumulated contributions after Participant's rights were forfeited pursuant to this section shall be required to pay back to the Fund the amount of the benefits received in excess of his or her accumulated contributions. The Board may implement all legal action necessary to recover such funds.

### **Alimony, Child Support, and Property Distribution**

Under state law and local ordinance, this Plan is exempt from claims of creditors. The only exception is a court award of child support or alimony. Under Florida law there is a specific exemption permitting these payments to be made from the

Plan. Florida law does not permit direct payment of property settlement rights. A former spouse cannot receive a benefit until the member retires and starts receiving benefits from the Plan.

Effective January 1, 2019, changes in federal tax laws have eliminated tax deductions for alimony if a marriage was dissolved or a property settlement agreement was made on or after January 1, 2019. Modifications to existing order or agreements on or after January 1, 2019, may be tax deductible if both parties agree.

In a divorce proceeding, a court can order a member to pay a portion of benefits to a spouse once that benefit is received. If the pension benefit is being divided as an equitable distribution of property, a special order must be entered by the Court with payments from the Plan to a joint account in the name of the member and former spouse. The Plan is not subject to qualified domestic relations orders (QDRO's).

Members are encouraged to submit draft copies of divorce orders to the Board for review, prior to entry of a final divorce decree. In the event that an order requires correction for failure to comply with the terms of the Plan, fees and costs incurred by the Plan shall be reimbursed by the member.

**Source of Financing Plan**

The Plan is funded through contributions made by the Town and Employees.

**Applicable Regulations Governing Establishment, Operation and Administration of the Plan**

Chapter 112, Part VII, Florida Statutes; Chapter 60T-1, FAC, Internal Revenue Code

**Board of Trustees**

John Phillips, Chair  
William Ackerman, Vice Chair  
Evelyn Roig, Secretary  
Grace Garagozzo  
Kevin Montaldi

**Mailing Address for Board of Trustees:**

Town of Davie  
6591 Orange Drive  
Davie, FL 33314

A member applying for a benefit has the right to request a formal hearing. Copies of the Board's formal policies are available upon request.

**The following documents are attached:**

1. Report of actuarial summary

2021 Florida Local Government Retirement Systems Actuarial Fact Sheet

<b>City/District Name:</b> Davie - General & Mgmt		<b>Employee group(s) covered:</b> General	
<b>Current actuarial valuation date:</b> 10/1/2020		<b>Plan Status:</b> Active	<b>Date prepared:</b> 1/13/2022
<b>Number of plan participants:</b> 460		<b>GASB 67 Reporting</b>	
<b>Actuarial Value of Plan Assets (AVA):</b> \$87,731,538		<b>Discount Rate</b>	7.00%
<b>Actuarial Accrued Liability (AAL):</b> \$89,777,871		<b>Total Pension Liability</b>	89,950,391
<b>Unfunded Accrued Liability (UAL):</b> \$2,046,333		<b>Market Value of Plan Assets</b>	87,068,827
<b>Market Value of Plan Assets (MVA):</b> \$87,192,130		<b>Net Pension Liability</b>	2,881,564
<b>MVA Funded Ratio (5-year history):</b>		<b>GASB 67 Funded Ratio</b>	96.80%
		Averages for all plans with 2020 current actuarial valuation date	
Current valuation		97.12%	90.52% *
1 year prior		103.73%	86.77% *
2 years prior		102.34%	89.02% *
3 years prior		97.64%	86.31% *
4 years prior		89.54%	82.76% *
<b>Rate of Return:</b>	Actuarial Value, Actual (2020 Plan Year)	23.30%	8.10%
	Market Value, Actual	6.70%	8.39%
	Assumed	7.00%	7.10%
<b>Funding requirement as percentage of payroll:</b>		18.42%	60.19% **
<b>Percentage of payroll contributed by employee:</b>		2.81%	6.48% **
<b>Funding requirement as dollar amount:</b>		3,698,190	N/A
<b>Benefit Formula Description:</b>		1.80% X AFC X SC	
<b>AFC Averaging Period (years):</b>		6	
<b>Employees covered by Social Security?</b>		No	

**Additional actuarial disclosures required by section 112.664, Florida Statutes:**

Florida Statute Chapter	Discount Rate	Pension Liability	Market Value of Plan Assets	Net Pension Liability	Years assets sustain benefit payments	Total Dollar Contribution	Total % of Pay Contribution
112.664(1)(a)	7.00%	89,777,871	86,706,685	3,071,186	29.08	3,698,190	18.42
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Valuation Basis	7.00%	N/A	N/A	N/A	29.08	3,698,190	18.42

Link to annual financial statements:

<https://frs.fl.gov/forms/LOC5340180PDF10012020N1.pdf>

\*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean

\*\*Excludes plans with zero payroll

(For explanation of terms, see glossary on page 2)

## Actuarial Summary Fact Sheet – Glossary of Terms

<b>Plan Status:</b>	Active, Closed (closed to new entrants) and Frozen (closed to new entrants and no further benefit accruals)
<b>Actuarial Value of Plan Assets (AVA):</b>	Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.
<b>Actuarial Accrued Liability (AAL):</b>	Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.
<b>Unfunded Accrued Liability (UAL):</b>	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.
<b>Market Value of Plan Assets (MVA):</b>	The fair market value of assets, including DROP accounts.
<b>MVA Funded Ratio:</b>	Market Value of Plan Assets divided by Actuarial Accrued Liability (GASB)
<b>Rate of Return (Assumed):</b>	Assumed long-term rate of return on the pension fund assets.
<b>Funding requirement as percentage of payroll:</b>	Total Required Contribution (employer and employee) divided by total payroll of active participants. No interest adjustment is included.
<b>Funding requirement as dollar amount:</b>	Total Required Contribution (employer and employee). No interest adjustment is included.
<b>AFC:</b>	Average Final Compensation or some variant of compensation (e.g., AME [Average Monthly Earnings], FAC [Final Average Compensation], FMC [Final Monthly Compensation] etc.)
<b>SC:</b>	Service Credit

## Section 112.664 – Glossary of Terms

<b>Florida Statute Chapter:</b>	<p>112.664(1)(a) – uses mortality tables used in either of the two most recently published FRS valuation reports, with projection scale for mortality improvement</p> <p>112.664(1)(b) – uses same mortality assumption as 112.664(1)(a) but using an assumed discount rate equal to 200 basis points (2.00%) less than plan's assumed rate of return.</p> <p>Valuation Basis – uses all the assumptions in the plan's valuation as of the current actuarial valuation date.</p>
<b>Discount Rate:</b>	Rate used to discount the liabilities. Typically the same as assumed rate of return on assets.
<b>Total Pension Liability:</b>	Actuarial Accrued Liability measured using the appropriate assumptions as specified above and the Traditional Individual Entry Age Normal Cost method.
<b>Net Pension Liability:</b>	Total Pension Liability minus Market Value of Plan Assets.
<b>Years assets sustain benefit payments:</b>	Assuming no future contributions from any source, the number of years the market value of assets will sustain payment of expected retirement benefits. The number of years will vary based on the Florida Statute Chapter assumption.
<b>Total Dollar Contribution:</b>	Required contribution from all sources (i.e., employee and sponsor). Contribution will vary based on the Florida Statute Chapter assumption.
<b>Total % of Pay Contribution:</b>	Total Dollar Contribution divided by total payroll of active participants
<b>Annual financial statements:</b>	A report issued which covers a local government retirement system or plan to satisfy the financial reporting requirements of section 112.664(1), F.S.

**RETIREMENT PLAN AND TRUST FOR MANAGEMENT & REPRESENTED AND NON-  
REPRESENTED GENERAL EMPLOYEES  
OF THE TOWN OF DAVIE, FLORIDA  
HIRED AFTER SEPTEMBER 30, 2013**

**Summary Plan Description**

**Plan Trustee**

Florida Municipal Pension Trust Fund

**Plan Administrator**

Florida League of Cities, Inc.  
301 S. Bronough Street  
Tallahassee, FL 32301

**Plan**

Plan representing the General and Management Employees of the Town of Davie.

**Agent for Legal Process**

Town Attorney – Town of Davie  
6591 Orange Drive  
Davie, FL 33314

**Plan Effective Date**

10/01/2003

**Plan Anniversary Date**

October 1 each year

**Plan Year**

Fiscal Year: Twelve month period beginning 10/01 and ending 09/30

**Eligibility**

All full-time employees hired 10/1/13 or thereafter.

**Salary:**

The total cash remuneration paid to a plan participant for services rendered. Total cash remuneration shall exclude the following:

1. Overtime in excess of 300 hours; and
2. Accrued unused annual or sick leave; and
3. Benefit Choice Dollars; and
4. Special detail.

**Credited Service**

The total number of years and fractional parts of years of service measured from date of employment.

**Purchase of Credited Service**

Participants of the Plan shall have the option to purchase up to five (5) years of credited service within five (5) years of becoming a member of the Plan from another employer at full actuarial cost.

**Average Final Compensation**

One-twelfth of the highest average earnings during the six best years of creditable service, prior to separation as an active member or the career average, whichever is greater.

**Normal Form of Benefit**

The normal form of benefit is a single life annuity.

**Normal Retirement Date**

The first day of the month coincident with, or next following attainment of age sixty-five (65) and ten (10) years of Vested Service or age sixty (60) and thirty (30) years of Vested Service.

**Normal Retirement Benefit:**

The monthly retirement benefit shall be equal to the number of years and fractional parts of years of credited service multiplied by 1.8% and multiplied by Average Final Compensation.

## **Disability**

### **Non-Duty Disability Benefit:**

Any employee who shall become Totally and Permanently Disabled, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a disability benefit. The employee shall bear the burden of proof. All members hired on or after October 1, 2013 who have completed ten (10) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit with a minimum of ten (10) years of Credited Service. If a member hired on or after October 1, 2013 has less than ten (10) years of Vested Service, they will receive a return of their employee contributions, if applicable, with six percent (6%) interest.

### **Duty Disability Benefit:**

All members, regardless of date of hire, shall be entitled to a duty disability benefit if they become Totally and Permanently disabled in the line of duty, regardless of length of service. The duty benefit shall be the accrued benefit, but shall not be less than twenty percent (20%) of Average Final Compensation at the time of disability.

Any employee who shall prove that they became Totally and Permanently Disabled in the line of duty, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a duty disability benefit. The employee shall bear the burden of proof.

### **Death Benefit prior to Vesting**

If a member dies prior to Normal Retirement Date, and has less than ten (10) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

### **Death Benefit after Vesting**

If a member dies prior to Normal Retirement Date and has completed ten (10) or more years of Vested Service, the beneficiary shall receive the benefit otherwise payable to the member at the Normal Retirement Date or earlier at an actuarial equivalent.

### **Termination of Employment and Vesting**

If a member has less than ten (10) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution, including rollovers, with six percent (6%) interest, or the member may leave it deposited with the Fund pending future employment with the Town of Davie.

If a member has ten (10) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal retirement date provided he or she does not elect to withdraw his or her contributions and provided he or she survives to his or her normal or early retirement date.

### **Employee Contributions**

Active members shall contribute three percent (3%) of salary.

### **Cost of Living Adjustment**

A three percent (3%) cost of living increase is awarded to benefit payments each year a benefit is in force after the benefit has been paid for five (5) years. This increase will begin with the sixty-first payment and adjusted annually.

### **Deferred Retirement Option Program "DROP"**

An eligible member may elect to participate in the DROP for a period not to exceed a maximum of 60 calendar months, provided that the member elects to participate in DROP within five years of the date the member first reaches their Normal Retirement Date. Interest accrues at 6.5% annually.

### **Forfeiture of Pension**

Any Participant who is convicted of any of the following offenses committed prior to retirement, or whose employment is terminated by reason of his or her admitted commission, aid or abetment of the following specified offenses, shall forfeit all rights and benefits under this Fund, except for the return of his or her accumulated contributions as of the date of termination.

- (A) Specified offenses are as follows:
  - (1) The committing, aiding or abetting of an embezzlement of public funds;
  - (2) the committing, aiding or abetting of any theft by a public officer or employee from employer;
  - (3) bribery in connection with the employment of a public officer or employee;
  - (4) any felony specified in Chapter 838, Florida Statutes;
  - (5) the committing of an impeachable offense.
- (B) The committing of any felony by a public officer or employee who willfully and with intent to defraud the public or the public agency, for which he or she acts or in which he or she is employed, of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or for some other person through the use or attempted use of the power, rights, privileges, duties or position of his or her public office or employment position.
  - (1) Conviction shall be defined as follows: An adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.
  - (2) Court shall be defined as follows: Any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the Board shall hold a hearing on which notice shall be given to the Participant whose benefits are being considered for forfeiture. Said Participant shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the Participant shall be afforded a full opportunity to present his or her case against forfeiture.

Any Participant who has received benefits from the Plan in excess of his or her accumulated contributions after Participant's rights were forfeited pursuant to this section shall be required to pay back to the Fund the amount of the benefits received in excess of his or her accumulated contributions. The Board may implement all legal action necessary to recover such funds.

#### **Alimony, Child Support, and Property Distribution**

Under state law and local ordinance, this Plan is exempt from claims of creditors. The only exception is a court award of child support or alimony. Under Florida law there is a specific exemption permitting these payments to be made from the Plan. Florida law does not permit direct payment of property settlement rights. A former spouse cannot receive a benefit until the member retires and starts receiving benefits from the Plan.

Effective January 1, 2019, changes in federal tax laws have eliminated tax deductions for alimony if a marriage was dissolved or a property settlement agreement was made on or after January 1, 2019. Modifications to existing order or agreements on or after January 1, 2019, may be tax deductible if both parties agree.

In a divorce proceeding, a court can order a member to pay a portion of benefits to a spouse once that benefit is received. If the pension benefit is being divided as an equitable distribution of property, a special order must be entered by the Court with payments from the Plan to a joint account in the name of the member and former spouse. The Plan is not subject to qualified domestic relations orders (QDRO's).

Members are encouraged to submit draft copies of divorce orders to the Board for review, prior to entry of a final divorce decree. In the event that an order requires correction for failure to comply with the terms of the Plan, fees and costs incurred by the Plan shall be reimbursed by the member.

#### **Source of Financing Plan**

The Plan is funded through contributions made by the Town and Employees.

#### **Applicable Regulations Governing Establishment, Operation and Administration of the Plan**

Chapter 112, Part VII, Florida Statutes; Chapter 60T-1, FAC, Internal Revenue Code



**Board of Trustees**

John Phillips, Chair  
William Ackerman, Vice Chair  
Evelyn Roig, Secretary  
Grace Garagozzo  
Kevin Montaldi

**Mailing Address for Board of Trustees:**

Town of Davie  
6591 Orange Drive  
Davie, FL 33314

A member applying for a benefit has the right to request a formal hearing. Copies of the Board's formal policies are available upon request.

**The following documents are attached:**

1. Report of actuarial summary

2021 Florida Local Government Retirement Systems Actuarial Fact Sheet

<b>City/District Name:</b> Davie - General & Mgmt		<b>Employee group(s) covered:</b> General	
<b>Current actuarial valuation date:</b> 10/1/2020		<b>Plan Status:</b> Active	<b>Date prepared:</b> 1/13/2022
<b>Number of plan participants:</b> 460		<b>GASB 67 Reporting</b>	
<b>Actuarial Value of Plan Assets (AVA):</b> \$87,731,538		<b>Discount Rate</b>	7.00%
<b>Actuarial Accrued Liability (AAL):</b> \$89,777,871		<b>Total Pension Liability</b>	89,950,391
<b>Unfunded Accrued Liability (UAL):</b> \$2,046,333		<b>Market Value of Plan Assets</b>	87,068,827
<b>Market Value of Plan Assets (MVA):</b> \$87,192,130		<b>Net Pension Liability</b>	2,881,564
<b>MVA Funded Ratio (5-year history):</b>		<b>GASB 67 Funded Ratio</b>	96.80%
		Averages for all plans with 2020 current actuarial valuation date	
Current valuation		97.12%	90.52% *
1 year prior		103.73%	86.77% *
2 years prior		102.34%	89.02% *
3 years prior		97.64%	86.31% *
4 years prior		89.54%	82.76% *
<b>Rate of Return:</b>	Actuarial Value, Actual (2020 Plan Year)	23.30%	8.10%
	Market Value, Actual	6.70%	8.39%
	Assumed	7.00%	7.10%
<b>Funding requirement as percentage of payroll:</b>		18.42%	60.19% **
<b>Percentage of payroll contributed by employee:</b>		2.81%	6.48% **
<b>Funding requirement as dollar amount:</b>		3,698,190	N/A

**Benefit Formula Description:** 1.80% X AFC X SC

**AFC Averaging Period (years):** 6

**Employees covered by Social Security?** No

**Additional actuarial disclosures required by section 112.664, Florida Statutes:**

Florida Statute Chapter	Discount Rate	Pension Liability	Market Value of Plan Assets	Net Pension Liability	Years assets sustain benefit payments	Total Dollar Contribution	Total % of Pay Contribution
112.664(1)(a)	7.00%	89,777,871	86,706,685	3,071,186	29.08	3,698,190	18.42
112.664(1)(b)	5.00%	120,464,441	86,706,685	33,757,756	21.94	9,164,017	45.64
Valuation Basis	7.00%	N/A	N/A	N/A	29.08	3,698,190	18.42

Link to annual financial statements: <https://frs.fl.gov/forms/LOC5340180PDF10012020N1.pdf>

\*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean

\*\*Excludes plans with zero payroll

(For explanation of terms, see glossary on page 2)

## Actuarial Summary Fact Sheet – Glossary of Terms

<b>Plan Status:</b>	Active, Closed (closed to new entrants) and Frozen (closed to new entrants and no further benefit accruals)
<b>Actuarial Value of Plan Assets (AVA):</b>	Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.
<b>Actuarial Accrued Liability (AAL):</b>	Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.
<b>Unfunded Accrued Liability (UAL):</b>	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.
<b>Market Value of Plan Assets (MVA):</b>	The fair market value of assets, including DROP accounts.
<b>MVA Funded Ratio:</b>	Market Value of Plan Assets divided by Actuarial Accrued Liability (GASB)
<b>Rate of Return (Assumed):</b>	Assumed long-term rate of return on the pension fund assets.
<b>Funding requirement as percentage of payroll:</b>	Total Required Contribution (employer and employee) divided by total payroll of active participants. No interest adjustment is included.
<b>Funding requirement as dollar amount:</b>	Total Required Contribution (employer and employee). No interest adjustment is included.
<b>AFC:</b>	Average Final Compensation or some variant of compensation (e.g., AME [Average Monthly Earnings], FAC [Final Average Compensation], FMC [Final Monthly Compensation] etc.)
<b>SC:</b>	Service Credit

## Section 112.664 – Glossary of Terms

<b>Florida Statute Chapter:</b>	<p>112.664(1)(a) – uses mortality tables used in either of the two most recently published FRS valuation reports, with projection scale for mortality improvement</p> <p>112.664(1)(b) – uses same mortality assumption as 112.664(1)(a) but using an assumed discount rate equal to 200 basis points (2.00%) less than plan's assumed rate of return.</p> <p>Valuation Basis – uses all the assumptions in the plan's valuation as of the current actuarial valuation date.</p>
<b>Discount Rate:</b>	Rate used to discount the liabilities. Typically the same as assumed rate of return on assets.
<b>Total Pension Liability:</b>	Actuarial Accrued Liability measured using the appropriate assumptions as specified above and the Traditional Individual Entry Age Normal Cost method.
<b>Net Pension Liability:</b>	Total Pension Liability minus Market Value of Plan Assets.
<b>Years assets sustain benefit payments:</b>	Assuming no future contributions from any source, the number of years the market value of assets will sustain payment of expected retirement benefits. The number of years will vary based on the Florida Statute Chapter assumption.
<b>Total Dollar Contribution:</b>	Required contribution from all sources (i.e., employee and sponsor). Contribution will vary based on the Florida Statute Chapter assumption.
<b>Total % of Pay Contribution:</b>	Total Dollar Contribution divided by total payroll of active participants
<b>Annual financial statements:</b>	A report issued which covers a local government retirement system or plan to satisfy the financial reporting requirements of section 112.664(1), F.S.

Retirement Plan for the  
Employees of the Town of Davie

Actuarial Valuation  
As of October 1, 2022

Determines the Contribution  
For the 2023/24 Fiscal Year



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December 1, 2022

## Introduction

This report presents the results of the October 1, 2022 actuarial valuation for the Retirement Plan for the Employees of the Town of Davie. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2022 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2023/24 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate.

## Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2023/24 plan year. The minimum required contribution rate is 11.51% of covered payroll, which represents an increase of 1.57% of payroll from the prior valuation.

The normal cost rate as of October 1, 2022 is 11.94%, as compared to a rate of 10.72% determined in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate increased by 0.92% of payroll due to investment shortfalls and increased by another 0.30% of payroll due to demographic experience. Although the market value of assets lost 13.43% during the 2021/22 plan year, the actuarial value of assets is based on a five-year phase-in of the unexpected investment gains and losses. On this basis, the actuarial value of assets earned



5.13% during the 2021/22 plan year, whereas a 7.00% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the Town must contribute an amount equal to the annual normal cost of the plan, adjusted as necessary for administrative expenses and to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the Town's 2023/24 minimum required contribution will be equal to 11.51% multiplied by the total pensionable earnings for the 2023/24 fiscal year for the active employees who are covered by the plan.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$129,433,465. As illustrated in Table I-A, current assets are sufficient to cover \$103,116,201 of this amount, the employer's 2022/23 expected contribution will cover \$2,249,370 of this amount, the employer's 2023/24 expected contribution will cover \$2,734,100 of this amount, and future employee contributions will cover \$5,056,426 of this amount, leaving \$16,277,368 to be covered by future employer funding beyond the 2023/24 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

#### Employer Contribution Shortfall

For the 2021/22 plan year, the minimum required contribution was \$3,235,921 plus the employer contribution receivable as of October 1, 2021, which was equal to \$114,472. When the actual Town contribution of \$3,270,000 is subtracted from these amounts, there is an \$80,393 employer contribution receivable as of September 30, 2022. Therefore, the first \$80,393 of employer contributions made for the 2022/23 plan year will be applied to the 2021/22 plan year.

#### Identification and Assessment of Risk

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.

Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment





returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liabilities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.

The Trustees have adopted the aggregate funding method for this plan, which is expected to result in a contribution rate that is level as a percentage of payroll over the working life of the plan's active participants. A brief description of the actuarial funding method is provided in Table IV-A.

### Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund, including a development of the actuarial value of assets which is based on a five-year smoothing of the investment gains and losses. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives





a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2022, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

#### Certification

This actuarial valuation was prepared by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,

*Charles T. Carr*

Charles T. Carr  
Consulting Actuary  
Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 20-04927

*The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.*



Minimum Required Contribution

Table I-A



**For the 2023/24 Plan Year**

Present Value of Future Benefits	\$128,469,940
Present Value of Future Administrative Expenses	\$963,525
Actuarial Value of Assets	(\$103,116,201)
Present Value of Future Employee Contributions	(\$5,056,426)
Present Value of Future Normal Costs	\$21,260,838
Present Value of Future Payroll	÷ \$178,035,688
Normal Cost Rate	= 11.9419%
Expected Payroll	x \$22,629,478
Normal Cost	\$2,702,389
Interest Adjustment Assuming a Beginning-of-Year Employer Contribution	\$0
Expected Employer Contribution for the 2022/23 Plan Year	(\$2,249,370)
Remaining Contribution Due/(Credit) for the 2022/23 Plan Year	\$453,019
	x 0.07
One Year's Interest Charge/(Credit) on the Remaining Contribution	\$31,711
Preliminary Employer Contribution for the 2023/24 Plan Year	\$2,734,100
Expected Payroll for the 2023/24 Plan Year	÷ \$23,760,952

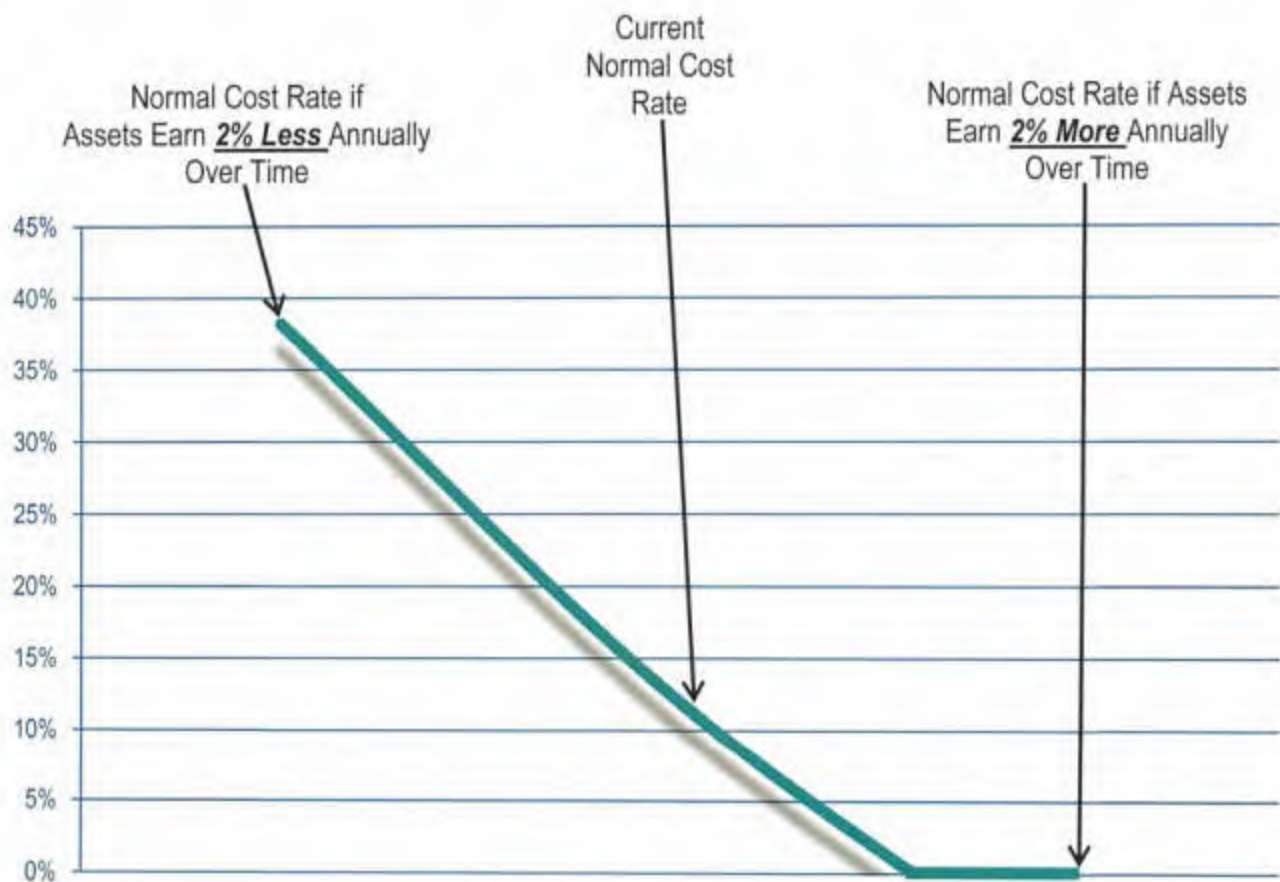
**Minimum Required Contribution Rate** 11.51%

*(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)*



## Sensitivity Analysis

Table I-B



*The line above illustrates the sensitivity of the normal cost rate to changes in the long-term investment return.*



## Gain and Loss Analysis

Table I-C

Previous normal cost rate	10.72%
Increase (decrease) due to investment gains and losses	0.92%
Increase (decrease) due to demographic experience	0.30%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current normal cost rate	<u>11.94%</u>





## Present Value of Future Benefits (PVB)

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$72,089,934	\$72,089,934	\$72,089,934
Termination benefits	\$2,100,377	\$2,100,377	\$2,100,377
Disability benefits	\$1,860,939	\$1,860,939	\$1,860,939
Death benefits	\$1,379,337	\$1,379,337	\$1,379,337
Refund of employee contributions	\$517,075	\$517,075	\$517,075
Sub-total	<b>\$77,947,662</b>	<b>\$77,947,662</b>	<b>\$77,947,662</b>
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$5,938,786	\$5,938,786	\$5,938,786
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$5,938,786</b>	<b>\$5,938,786</b>	<b>\$5,938,786</b>
<i><u>Due a Refund of Contributions</u></i>	<b>\$154,553</b>	<b>\$154,553</b>	<b>\$154,553</b>
<i><u>Deferred Beneficiaries</u></i>	<b>\$309,425</b>	<b>\$309,425</b>	<b>\$309,425</b>
<i><u>Retired Participants</u></i>			
Service retirements	\$36,149,260	\$36,149,260	\$36,149,260
Disability retirements	\$589,676	\$589,676	\$589,676
Beneficiaries receiving	\$3,810,350	\$3,810,350	\$3,810,350
DROP participants	\$3,570,228	\$3,570,228	\$3,570,228
Sub-total	<b>\$44,119,514</b>	<b>\$44,119,514</b>	<b>\$44,119,514</b>
<i><u>Grand Total</u></i>	<b><u>\$128,469,940</u></b>	<b><u>\$128,469,940</u></b>	<b><u>\$128,469,940</u></b>
Present Value of Future Payroll	\$178,035,688	\$178,035,688	\$178,035,688
Present Value of Future Employee Contribs.	\$5,056,426	\$5,056,426	\$5,056,426
Present Value of Future Employer Contribs.	\$21,260,838	\$21,260,838	\$21,260,838



## Present Value of Accrued Benefits (PVAB)

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$31,005,105	\$31,005,105	\$31,005,105
Termination benefits	\$1,017,887	\$1,017,887	\$1,017,887
Disability benefits	\$792,901	\$792,901	\$792,901
Death benefits	\$534,627	\$534,627	\$534,627
Refund of employee contributions	\$256,497	\$256,497	\$256,497
Sub-total	<b>\$33,607,017</b>	<b>\$33,607,017</b>	<b>\$33,607,017</b>
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$5,938,786	\$5,938,786	\$5,938,786
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$5,938,786</b>	<b>\$5,938,786</b>	<b>\$5,938,786</b>
<i><u>Due a Refund of Contributions</u></i>	<b>\$154,553</b>	<b>\$154,553</b>	<b>\$154,553</b>
<i><u>Deferred Beneficiaries</u></i>	<b>\$309,425</b>	<b>\$309,425</b>	<b>\$309,425</b>
<i><u>Retired Participants</u></i>			
Service retirements	\$36,149,260	\$36,149,260	\$36,149,260
Disability retirements	\$589,676	\$589,676	\$589,676
Beneficiaries receiving	\$3,810,350	\$3,810,350	\$3,810,350
DROP participants	\$3,570,228	\$3,570,228	\$3,570,228
Sub-total	<b>\$44,119,514</b>	<b>\$44,119,514</b>	<b>\$44,119,514</b>
<i><u>Grand Total</u></i>	<b><u>\$84,129,295</u></b>	<b><u>\$84,129,295</u></b>	<b><u>\$84,129,295</u></b>
<i><u>Funded Percentage</u></i>	109.36%	109.36%	109.36%

(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)



## Present Value of Vested Benefits (PVVB)

Table I-F

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$31,005,105	\$31,005,105	\$31,005,105
Termination benefits	\$831,219	\$831,219	\$831,219
Disability benefits	\$792,901	\$792,901	\$792,901
Death benefits	\$427,376	\$427,376	\$427,376
Refund of employee contributions	\$471,249	\$471,249	\$471,249
Sub-total	<b>\$33,527,850</b>	<b>\$33,527,850</b>	<b>\$33,527,850</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$5,938,786	\$5,938,786	\$5,938,786
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$5,938,786</b>	<b>\$5,938,786</b>	<b>\$5,938,786</b>
<u>Due a Refund of Contributions</u>	<b>\$154,553</b>	<b>\$154,553</b>	<b>\$154,553</b>
<u>Deferred Beneficiaries</u>	<b>\$309,425</b>	<b>\$309,425</b>	<b>\$309,425</b>
<u>Retired Participants</u>			
Service retirements	\$36,149,260	\$36,149,260	\$36,149,260
Disability retirements	\$589,676	\$589,676	\$589,676
Beneficiaries receiving	\$3,810,350	\$3,810,350	\$3,810,350
DROP participants	\$3,570,228	\$3,570,228	\$3,570,228
Sub-total	<b>\$44,119,514</b>	<b>\$44,119,514</b>	<b>\$44,119,514</b>
<u>Grand Total</u>	<b>\$84,050,128</b>	<b>\$84,050,128</b>	<b>\$84,050,128</b>





## Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$45,489,595	\$45,489,595	\$45,489,595
Termination benefits	\$1,391,782	\$1,391,782	\$1,391,782
Disability benefits	\$1,149,939	\$1,149,939	\$1,149,939
Death benefits	\$780,329	\$780,329	\$780,329
Refund of employee contributions	\$216,547	\$216,547	\$216,547
Sub-total	<b>\$49,028,192</b>	<b>\$49,028,192</b>	<b>\$49,028,192</b>
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$5,938,786	\$5,938,786	\$5,938,786
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$5,938,786</b>	<b>\$5,938,786</b>	<b>\$5,938,786</b>
<i><u>Due a Refund of Contributions</u></i>	<b>\$154,553</b>	<b>\$154,553</b>	<b>\$154,553</b>
<i><u>Deferred Beneficiaries</u></i>	<b>\$309,425</b>	<b>\$309,425</b>	<b>\$309,425</b>
<i><u>Retired Participants</u></i>			
Service retirements	\$36,149,260	\$36,149,260	\$36,149,260
Disability retirements	\$589,676	\$589,676	\$589,676
Beneficiaries receiving	\$3,810,350	\$3,810,350	\$3,810,350
DROP participants	\$3,570,228	\$3,570,228	\$3,570,228
Sub-total	<b>\$44,119,514</b>	<b>\$44,119,514</b>	<b>\$44,119,514</b>
<i><u>Grand Total</u></i>	<b><u>\$99,550,470</u></b>	<b><u>\$99,550,470</u></b>	<b><u>\$99,550,470</u></b>





## Actuarial Value of Assets

## Table II-A

<u>Unexpected Investment Gain (Loss)</u>		<u>Unrecognized Gain (Loss)</u>	
For the 2018/19 plan year	(\$1,291,503)	x 20%	(\$258,301)
For the 2019/20 plan year	(\$645,852)	x 40%	(\$258,341)
For the 2020/21 plan year	\$11,382,574	x 60%	\$6,829,544
For the 2021/22 plan year	(\$21,777,748)	x 80%	(\$17,422,198)
			<u>(\$11,109,296)</u>

Market Value of Assets as of October 1, 2022 \$92,623,890

Minus DROP account balances (\$616,985)

Minus advance employer contributions \$0

Adjustment for unrecognized gain or loss as shown above,  
but restricted to an amount that keeps the actuarial value  
of assets within an 80%-120% corridor of the market value \$11,109,296

**Actuarial Value of Assets as of October 1, 2022 \$103,116,201**

<u>Historical Actuarial Value of Assets</u>	
October 1, 2013	\$34,186,402
October 1, 2014	\$39,139,813
October 1, 2015	\$43,802,617
October 1, 2016	\$49,150,405
October 1, 2017	\$55,087,022
October 1, 2018	\$62,274,992
October 1, 2019	\$69,060,694
October 1, 2020	\$87,246,093
October 1, 2021	\$97,351,256
October 1, 2022	\$103,116,201

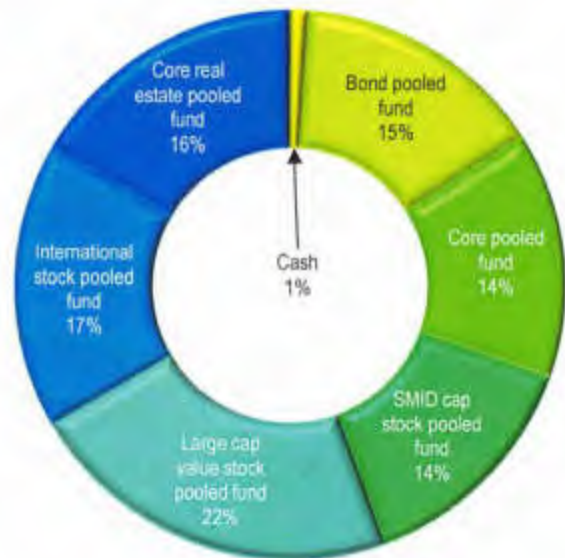


## Market Value of Assets

Table II-B

As of October 1, 2022

<b>Market Value of Assets</b>	<b><u>\$92,623,890</u></b>
Cash	\$925,435
Bond pooled fund	\$13,788,981
Core pooled fund	\$13,418,807
SMID cap stock pooled fund	\$12,956,090
Large cap value stock pooled fund	\$20,544,656
International stock pooled fund	\$15,639,851
Core real estate pooled fund	\$15,269,677
Employer contribution receivable	\$80,393

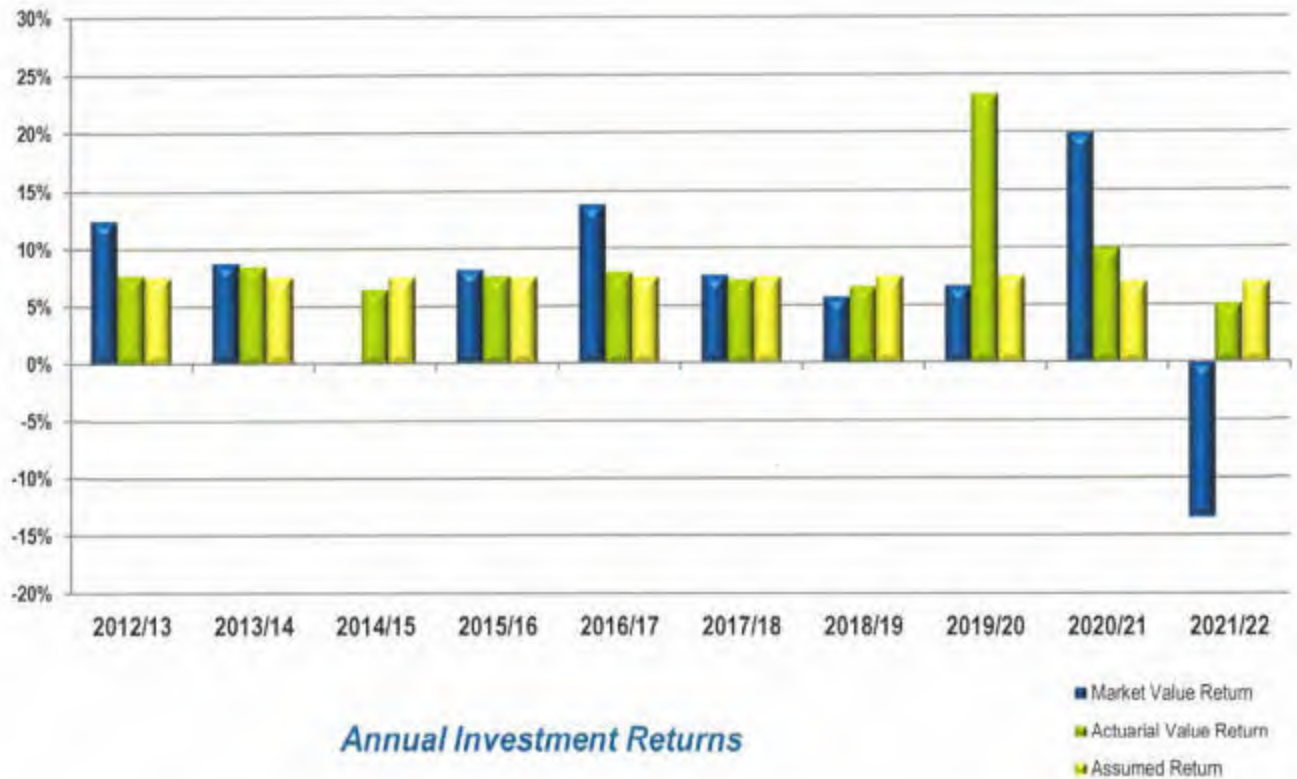
**Historical Market Value of Assets**

October 1, 2013	\$41,202,814
October 1, 2014	\$47,229,985
October 1, 2015	\$49,091,985
October 1, 2016	\$55,049,778
October 1, 2017	\$64,680,370
October 1, 2018	\$72,691,870
October 1, 2019	\$79,635,741
October 1, 2020	\$87,192,130
October 1, 2021	\$106,267,900
October 1, 2022	\$92,623,890



## Investment Return

Table II-C

*Annual Investment Returns*

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2012/13	12.48%	7.73%	7.50%
2013/14	8.78%	8.51%	7.50%
2014/15	-0.06%	6.49%	7.50%
2015/16	8.20%	7.60%	7.50%
2016/17	13.84%	7.97%	7.50%
2017/18	7.66%	7.28%	7.50%
2018/19	5.75%	6.65%	7.50%
2019/20	6.70%	23.30%	7.50%
2020/21	19.94%	9.98%	7.00%
2021/22	-13.43%	5.13%	7.00%
10yr. Avg.	6.63%	8.96%	7.40%





## Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2021	\$106,267,900	\$97,351,256
<b><i>Increases Due To:</i></b>		
Employer Contributions	\$3,235,921	\$3,235,921
Employee Contributions	\$608,761	\$608,761
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$3,844,682</u>	<u>\$3,844,682</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	<u>(\$14,315,877)</u>	
Total Investment Income	<u>(\$14,315,877)</u>	\$5,016,522
Other Income	\$0	
Total Income	<u>(\$10,471,195)</u>	<u>\$8,861,204</u>
<b><i>Decreases Due To:</i></b>		
Monthly Benefit Payments	(\$2,984,017)	(\$2,984,017)
Refund of Employee Contributions	(\$101,873)	(\$101,873)
DROP Credits		\$76,556
Total Benefit Payments	<u>(\$3,085,890)</u>	<u>(\$3,009,334)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$86,925)	(\$86,925)
Advance Employer Contribution		\$0
Total Expenses	<u>(\$3,172,815)</u>	<u>(\$3,096,259)</u>
As of October 1, 2022	<u><u>\$92,623,890</u></u>	<u><u>\$103,116,201</u></u>



## Historical Trust Fund Detail

Table II-E

Income

Plan	Employer	Employee	Service	Interest /	Realized	Unrealized	Other
<u>Year</u>	<u>Contribs.</u>	<u>Contribs.</u>	<u>Purchase</u>	<u>Dividends</u>	<u>Gains /</u>	<u>Gains /</u>	<u>Income</u>
			<u>Contribs.</u>		<u>Losses</u>	<u>Losses</u>	
2012/13	\$3,582,952	\$5,032	\$50,811	\$0	\$0	\$4,435,541	\$0
2013/14	\$3,388,803	\$204,808	\$0	\$0	\$0	\$3,720,443	\$0
2014/15	\$2,872,570	\$363,834	\$0	\$0	\$0	-\$31,288	\$0
2015/16	\$2,936,336	\$417,945	\$0	\$0	\$0	\$4,102,297	\$0
2016/17	\$3,109,997	\$446,412	\$0	\$0	\$0	\$7,747,395	\$0
2017/18	\$4,502,326	\$481,568	\$0	\$0	\$0	\$5,065,294	\$0
2018/19	\$3,944,403	\$495,591	\$313,056	\$0	\$0	\$4,259,241	\$0
2019/20	\$3,790,389	\$544,347	\$0	\$0	\$0	\$5,406,010	\$0
2020/21	\$3,616,169	\$566,736	\$0	\$0	\$0	\$17,538,904	\$0
2021/22	\$3,235,921	\$608,761	\$0	\$0	\$0	-\$14,315,877	\$0

Expenses

Plan	Monthly	Contrib.	Admin.	Invest.	<u>Other Actuarial Adjustments</u>	
<u>Year</u>	<u>Benefit</u>				DROP	Advance
	<u>Payments</u>	<u>Refunds</u>	<u>Expenses</u>	<u>Expenses</u>	<u>Credits</u>	<u>Employer</u>
2012/13	\$1,111,743	\$0	\$82,078	\$0	-\$52,091	\$105,758
2013/14	\$1,187,207	\$716	\$98,960	\$0	-\$35,533	\$382,004
2014/15	\$1,228,602	\$1,682	\$112,832	\$0	\$28,534	-\$189,566
2015/16	\$1,391,516	\$8,934	\$98,335	\$0	\$65,827	-\$155,031
2016/17	\$1,570,371	\$8,108	\$94,733	\$0	\$84,622	-\$143,165
2017/18	\$1,926,988	\$19,192	\$91,508	\$0	-\$120,935	\$0
2018/19	\$1,913,701	\$62,382	\$92,337	\$0	\$127,516	\$0
2019/20	\$2,050,599	\$40,623	\$93,135	\$0	\$276,384	\$0
2020/21	\$2,337,490	\$207,338	\$101,211	\$0	\$208,096	\$0
2021/22	\$2,984,017	\$101,873	\$86,925	\$0	-\$76,556	\$0

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.



## Other Reconciliations

Table II-F

**Advance Employer Contribution**

Advance Employer Contribution as of October 1, 2021	\$0
Additional Employer Contribution	\$3,235,921
Immediate Application of Advance Employer Contribution	\$0
Minimum Required Contribution	(\$3,235,921)
Net Increase in Advance Employer Contribution	\$0
Advance Employer Contribution as of October 1, 2022	\$0

**DROP Account Reconciliation**

DROP Balance as of October 1, 2021	\$693,541
DROP Benefit Credits	\$239,813
DROP Investment Credits	\$31,799
DROP Benefits Paid Out	(\$348,168)
Net DROP Credit	(\$76,556)
DROP Balance as of October 1, 2022	\$616,985





## Data Reconciliation

Table III-B

	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2021</u>	297	10	50	55	2	110	3	14	541
<u>Change in Status</u>									
Re-employed									
Terminated	(36)		4	32					
Retired	(1)	(2)	(5)		(1)	8		1	
<u>Participation Ended</u>									
Transferred Out	(3)	3							
Cashed Out				(14)					(14)
Died									
<u>Participation Began</u>									
Newly Hired	36								36
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2022</u>	293	11	49	73	1	118	3	15	563



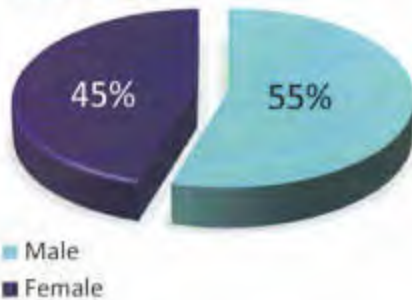


## Active Participant Data

Table III-C

As of October 1, 2022

## Gender Mix



Average Age	46.1 years
Average Service	8.7 years
Total Annualized Compensation for the Prior Year	\$21,583,245
Total Expected Compensation for the Current Year	\$22,629,478
Average Increase in Compensation for the Prior Year	7.59%
Expected Increase in Compensation for the Current Year	5.00%
Accumulated Contributions for Active Employees	\$3,569,995



Actual vs. Expected Salary Increases

## Active Participant Statistics From Prior Valuations

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2013	48.1	10.0	\$55,891	4.00%	2.30%
October 1, 2014	47.5	9.8	\$56,613	4.00%	8.03%
October 1, 2015	48.1	9.9	\$58,486	4.00%	5.36%
October 1, 2016	48.2	9.7	\$63,019	4.00%	9.57%
October 1, 2017	47.3	9.2	\$63,134	5.00%	3.63%
October 1, 2018	46.8	9.0	\$63,868	5.00%	7.03%
October 1, 2019	46.9	9.1	\$65,274	5.00%	4.07%
October 1, 2020	46.2	8.7	\$67,655	5.00%	7.95%
October 1, 2021	45.7	8.5	\$70,563	5.00%	5.88%
October 1, 2022	46.1	8.7	\$73,663	5.00%	7.59%





Active Age-Service-Salary Table

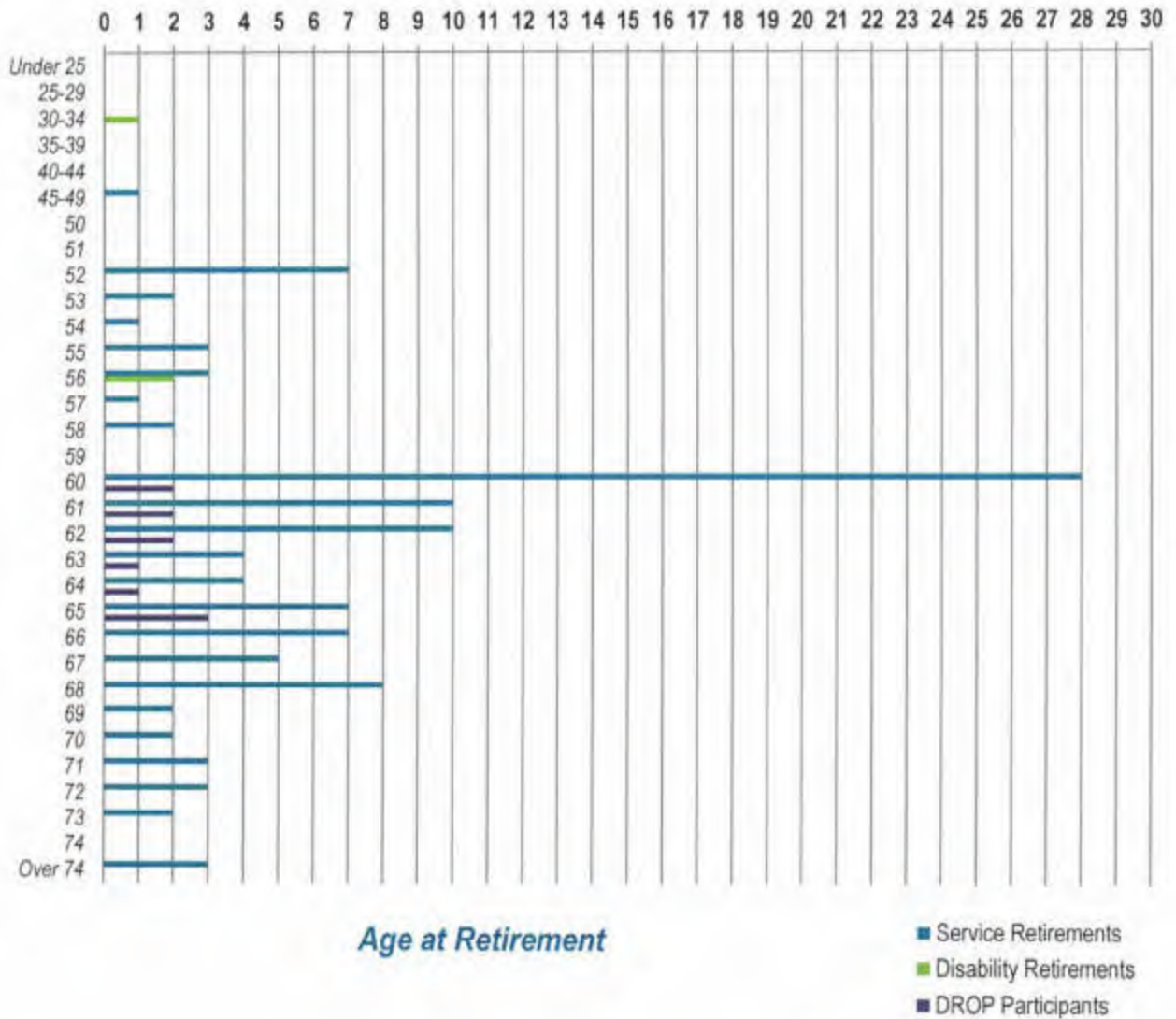
Table III-E

Attained Age	Completed Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	3	6	0	0	0	0	0	0	0	0	9
Avg. Pay	32,436	44,153	0	0	0	0	0	0	0	0	40,247
25 to 29	7	21	3	0	0	0	0	0	0	0	31
Avg. Pay	42,742	52,329	53,463	0	0	0	0	0	0	0	50,274
30 to 34	4	10	10	1	0	0	0	0	0	0	25
Avg. Pay	49,185	57,819	75,569	70,766	0	0	0	0	0	0	64,056
35 to 39	3	6	6	2	1	0	0	0	0	0	18
Avg. Pay	55,400	42,689	82,295	76,718	81,436	0	0	0	0	0	63,943
40 to 44	7	10	12	8	7	1	0	0	0	0	45
Avg. Pay	43,814	72,885	81,470	75,726	92,258	72,269	0	0	0	0	74,157
45 to 49	3	12	9	2	6	6	1	0	0	0	39
Avg. Pay	52,714	62,317	86,083	152,007	101,102	101,963	78,262	0	0	0	84,137
50 to 54	5	12	9	7	12	4	2	0	1	0	52
Avg. Pay	33,643	60,225	88,801	82,841	90,594	78,690	82,141	0	109,063	0	75,870
55 to 59	0	5	7	2	5	6	2	0	1	0	28
Avg. Pay	0	72,955	86,920	66,302	81,919	85,524	86,639	0	88,529	0	81,799
60 to 64	1	1	7	4	7	1	1	0	1	1	24
Avg. Pay	53,192	48,799	89,198	149,807	75,830	70,171	86,923	0	102,105	85,731	91,723
65 & up	1	5	4	2	4	3	1	1	0	1	22
Avg. Pay	21,787	77,989	82,024	76,918	79,230	113,859	75,887	97,458	0	129,264	84,308
Total	34	88	67	28	42	21	7	1	3	2	293
Avg. Pay	43,161	59,103	82,424	92,842	87,579	91,605	82,662	97,458	99,899	107,498	73,663



## Inactive Participant Data

Table III-F

Average Monthly Benefit

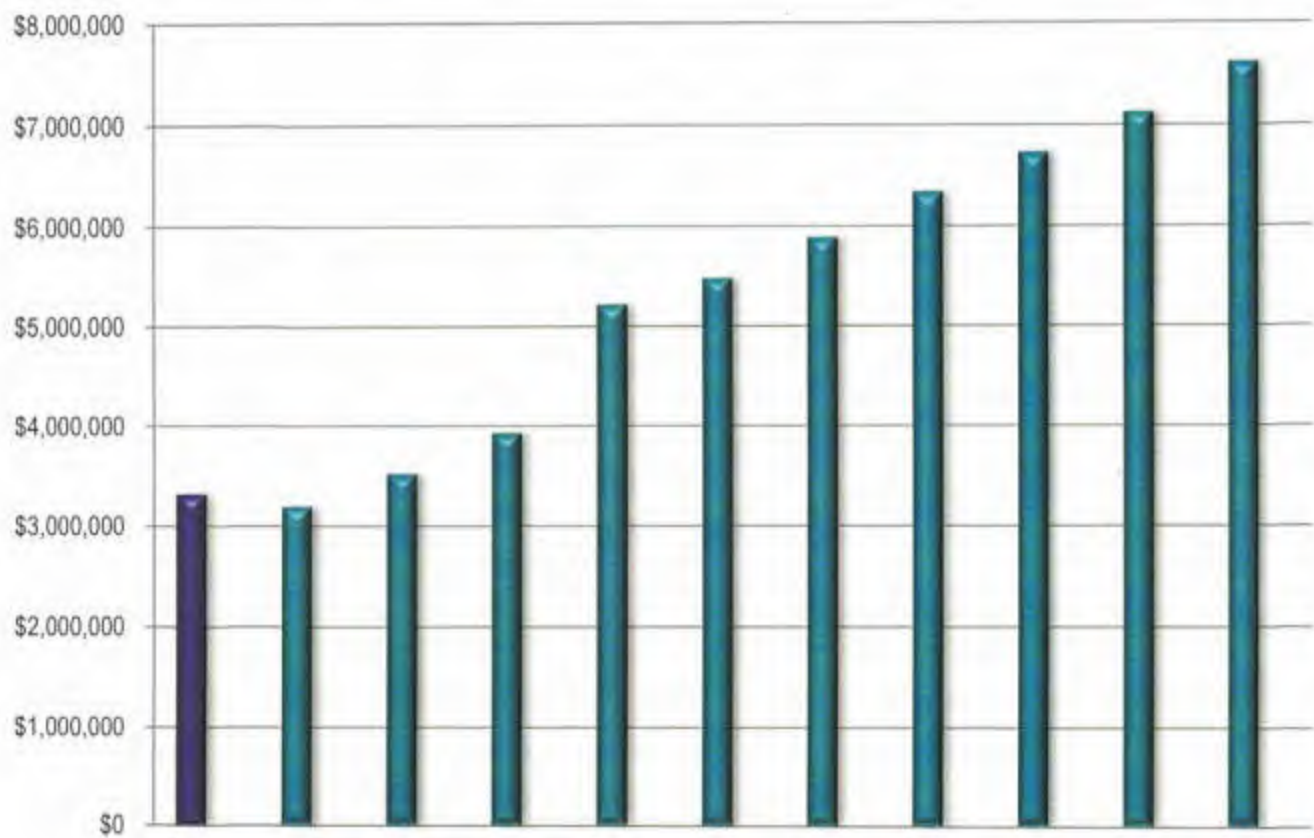
Service Retirements	\$1,723.80
Disability Retirements	\$918.40
Beneficiaries Receiving	\$1,405.42
DROP Participants	\$1,822.06
Deferred Vested Participants	\$1,190.97
Deferred Beneficiaries	\$1,858.39





## Projected Benefit Payments

Table III-G

Actual

For the period October 1, 2021 through September 30, 2022

\$3,325,703

Projected

For the period October 1, 2022 through September 30, 2023

\$3,190,478

For the period October 1, 2023 through September 30, 2024

\$3,514,876

For the period October 1, 2024 through September 30, 2025

\$3,925,985

For the period October 1, 2025 through September 30, 2026

\$5,211,403

For the period October 1, 2026 through September 30, 2027

\$5,475,484

For the period October 1, 2027 through September 30, 2028

\$5,885,057

For the period October 1, 2028 through September 30, 2029

\$6,340,777

For the period October 1, 2029 through September 30, 2030

\$6,730,644

For the period October 1, 2030 through September 30, 2031

\$7,129,964

For the period October 1, 2031 through September 30, 2032

\$7,618,810



## Summary of Actuarial Methods and Assumptions

## Table IV-A

*NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.*

**1. Actuarial Cost Method**

Aggregate cost method. Under this actuarial cost method, a funding cost is developed for the plan as a level percentage of payroll. The level funding percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants. The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

**2. Asset Method**

The actuarial value of assets is equal to the market value of assets, adjusted to reflect a five-year phase-in of the unexpected investment gains and losses.

**3. Interest (or Discount) Rate**

7.00% per annum

**4. Salary Increases**

Plan compensation is generally assumed to increase at the rate of 5.00% per annum, unless actual plan compensation is known for a prior plan year.

Average final compensation is increased by 4.50% with respect to general employees who terminate their employment prior to October 1, 2023, by 3.00% with respect to such employees who terminate their employment during the period October 1, 2023 through September 30, 2028, and by 1.50% with respect to such employees who terminate their employment during the period October 1, 2028 through September 30, 2033.

Average final compensation is increased by 10.00% with respect to management employees who terminate their employment prior to October 1, 2026 and by 5.00% with respect to such employees who terminate their employment during the period October 1, 2026 through September 30, 2031.





## Summary of Actuarial Methods and Assumptions

## Table IV-A

(continued)

5. Decrements

- Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year
- Post-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year
- Disability: Age- and gender-based rates of disability were assumed, ranging from 0.067% for males and 0.040% for females at age 25, 0.119% for males and 0.118% for females at age 35, 0.462% for males and 0.435% for females at age 45, and 1.000% for males and 0.840% for females at age 55.
- Termination: The rate of withdrawal for a participant with less than two years of service was assumed to be 18.00% per year. The rate of withdrawal for a participant with at least two years of service, but less than four years of service, was assumed to be 14.00% per year. The rate of withdrawal for a participant with at least four years of service, but less than six years of service, was assumed to be 9.00% per year. With respect to participants with at least six years of service, the termination rates are gender-based, ranging from 14.50% for males and 17.10% for females at age 25 to 0.00% for both genders at age 55.
- Retirement: For those participants who have met the age and service requirements to retire with a normal retirement benefit prior to age 60, retirement is assumed to occur at the rate of 70% upon the attainment of normal retirement age, 10% per year at each of the next five years, and 100% six years after normal retirement age. For all other participants, retirement is assumed to occur at the rate of 70% upon the attainment of normal retirement age, 10% per year at each of the next two years, and 100% three years after normal retirement age.

No decrements are assumed during the first year immediately following the valuation date.



## Summary of Actuarial Methods and Assumptions

## Table IV-A

(continued)

**6. Form of Payment**

Future retirees have been assumed to select the single life annuity.

**7. Expenses**

The total projected benefit liability has been loaded by 0.75% to account for anticipated administrative expenses. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.





## Changes in Actuarial Methods and Assumptions

## Table IV-B

There were no method or assumption changes since the completion of the previous valuation.

The following additional assumption and method changes were made during the past 10 years:

- (1) *Effective October 1, 2020, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.*
- (2) *Effective October 1, 2020, the interest (or discount) rate was decreased from 7.50% per annum to 7.00% per annum.*
- (3) *Effective October 1, 2020, the expense loading was reduced from 1.25% of the present value of future benefits to 0.75% of the present value of future benefits.*
- (4) *Effective October 1, 2020, the actuarial value of assets was changed from the market value adjusted to reflect a five-year phase-in of the net investment gains and losses to the market value adjusted to reflect a five-year phase-in of the unexpected investment gains and losses.*
- (5) *Effective October 1, 2016, the mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.*
- (6) *Effective October 1, 2016, the assumed increase in future annual salaries was changed from 4.00% per year to 5.00% per year.*
- (7) *Effective October 1, 2014, the mortality basis was changed from a 2007 projection of the RP-2000 Mortality Table to a 2015 projection.*
- (8) *Effective October 1, 2013, in connection with the elimination from pensionable earnings of overtime earned after September 30, 2012 in excess of 300 hours per year and payments for unused sick and annual leave accrued after that date, the loading that was previously applied to average final compensation to account for such extra compensation will gradually be phased out over a 20-year period.*
- (9) *Effective October 1, 2012, the assumed interest (or discount) rate was reduced from 7.60% per annum to 7.50% per annum.*





## Summary of Plan Provisions

## Table V-A

(continued)

## 3. Disability Eligibility and Benefit

• **Eligibility**

Employees Hired On or After October 1, 2013:	<i>10 years of Vested Service</i>
General Employees Hired Prior to October 1, 2013:	<i>Six years of Vested Service</i>
Management Employees Hired Prior to October 1, 2013:	<i>Three years of Vested Service</i>

• **Condition**

The participant must become totally and permanently disabled as determined by the Board of Trustees.

• **Amount Payable**

Same as for Normal Retirement

## 4. Delayed Retirement Age and Benefit

• **Age**

After Normal Retirement Age

• **Amount**

Monthly Accrued Benefit

• **Form of Payment**

Same as for Normal Retirement

## 5. Deferred Vested Benefit

• **Age**

Employees Hired On and After October 1, 2013:	<i>Any age with at least 10 years of Vested Service</i>
General Employees Hired Prior to October 1, 2013:	<i>Any age with at least six years of Vested Service</i>
Management Employees Hired During the Period October 2, 2003 through September 30, 2013:	<i>Any age with at least three years of Vested Service</i>
Management Employees Hired Prior to October 2, 2003:	<i>Any age with no service requirement</i>

• **Amount**

Monthly Accrued Benefit (payable at Normal Retirement Age)

• **Form of Payment**

Same as for Normal Retirement





## Summary of Plan Provisions

## Table V-A

(continued)

**6. Pre-Retirement Death Benefit**

In the case of the death of a vested participant prior to retirement, his beneficiary will receive the participant's Monthly Accrued Benefit commencing at the participant's Normal Retirement Age or an actuarially equivalent benefit commencing prior to Normal Retirement Age. If the beneficiary is neither a spouse nor a dependent child, then the pre-retirement death benefit will also be adjusted actuarially to account for any difference between the ages of the participant and beneficiary.

**7. Average Final Compensation**

Employees Hired On and After October 1, 2013: *Average of the highest six years of Compensation*

General Employees Hired Prior to October 1, 2013: *Average of the highest five years of Compensation*

Management Employees Hired Prior to October 1, 2013: *Average of the highest three years of Compensation*

**8. Compensation**

Total cash remuneration for services rendered; with respect to bargaining employees, overtime in excess of 300 hours per year earned after September 30, 2012 and payments for unused sick and annual leave accrued after that date are excluded from compensation; with respect to non-bargaining employees, overtime in excess of 300 hours per year earned after June 30, 2011 and payments for unused sick and annual leave accrued after that date are excluded from compensation; annual compensation in excess of \$200,000 (as indexed) is excluded in accordance with Internal Revenue Code (IRC) §401(a)(17).

**9. Credited Service**

The elapsed time from the participant's date of hire until his date of termination, retirement, or death. In the case of employees who were hired prior to October 1, 2003, the participant must pay the full actuarial cost of his service earned prior to October 1, 2003 in order to receive a retirement benefit for such service. In addition, participants may purchase up to five years of service credit for previous full-time employment with the federal government, including military service, or with any state, county, or city government other than the Town of Davie, provided that no retirement benefit is provided for such service under another retirement plan.

**10. Vested Service**

The elapsed time from the participant's date of hire until his date of termination, retirement, or death.



## Summary of Plan Provisions

## Table V-A

(continued)

**11. Participation Requirement**

All full-time general and management employees of the Town of Davie, Florida automatically become a participant in the plan on their date of hire.

**12. Accumulated Contributions**

The Employee Contributions accumulated with interest at the rate of 6.00% per annum; if a non-vested participant terminates his employment, he receives his Accumulated Contributions in lieu of any other benefits payable from the plan; vested participants may optionally elect to receive their Accumulated Contributions in lieu of any other benefits payable from the plan.

**13. Participant Contribution**

3.00% of earnings with respect to participants hired on or after October 1, 2013; 1.00% of earnings with respect to all other participants for the period after the collective bargaining agreement ratification date up to the first payroll after October 1, 2013, increasing to 1.50% of earnings for the period through September 30, 2014, and increasing to 2.50% of earnings thereafter.

**14. Definition of Actuarially Equivalent**

- **Interest Rate**  
8.00% per annum
- **Mortality Table**  
1994 Group Annuity Reserving Table, projected to 2002 by Scale AA

**15. Automatic Cost-of-Living Adjustment (COLA)**

All benefits include an automatic 3% annual cost-of-living adjustment which is effective for payments made at least five years after initial retirement.

**16. Plan Effective Date**

October 1, 2003

**17. Deferred Retirement Option Plan (DROP)**

A participant who reaches his Normal Retirement Age is eligible to participate in the DROP for a period of up to 60 months. DROP accounts are credited with interest at the rate of 6.50% per annum.





## Summary of Plan Amendments

## Table V-B

There were no significant plan amendments adopted since the completion of the previous valuation.

*The following additional plan amendments were adopted during the past 10 years and were reflected in prior valuation reports:*

- (1) During the 2020/21 fiscal year, certain employees who had previously chosen not to participate in the plan were allowed a one-time opportunity to opt into the plan. (Ordinance No. 02021-015)*
- (2) With respect to employees hired after September 30, 2013, average final compensation is based on a six-year average instead of a three- or five-year average. (Ordinance 2013-18)*
- (3) With respect to employees hired after September 30, 2013, normal retirement age is the earlier of age 65 with at least 10 years of service or age 60 with at least 30 years of service. (Ordinance 2013-18)*
- (4) With respect to employees hired after September 30, 2013, the benefit formula multiplier was reduced from 2.00% or 3.00% to 1.80%. (Ordinance 2013-18)*
- (5) With respect to employees hired after September 30, 2013, the vesting requirement, as well as the pre-retirement death benefit and disability requirements, is increased to 10 years of service. (Ordinance 2013-18)*
- (6) With respect to employees hired after September 30, 2013, a mandatory employee contribution was added to the plan equal to 3.00% of pensionable earnings. (Ordinance 2013-18)*
- (7) With respect to employees hired prior to October 1, 2013, a mandatory employee contribution was added to the plan equal to 1.00% of pensionable earnings for the period after the collective bargaining agreement ratification date up to the first payroll after October 1, 2013, increasing to 1.50% of pensionable earnings for the period through September 30, 2014, and increasing to 2.50% of pensionable earnings thereafter. (Ordinance 2013-18)*
- (8) Overtime earned after September 30, 2012 in excess of 300 hours per year and payments for unused sick and annual leave accrued after that date are excluded from pensionable earnings. (Ordinance 2013-18)*



**Florida Municipal Pension Trust Fund**  
**Statement of Investment Policy Objectives and Guidelines**  
**Amended March 25, 2021**

**A. Portfolio Asset Allocation Guidelines**

There are four asset allocation models or investment options: Fund A, Fund B, Fund C, & Fund D. Fund D is for members who have selected an asset allocation other than Fund A, B, or C. The maximum target asset allocation for Equities is 70% for all asset allocations.

As authorized by Section XII, D., 17. of the Investment Policy, the FMPTF invests in the following Florida Municipal Investment Trust (FMIVT) Portfolios: 0-2 High Quality Bond Fund\*, Broad Market High Quality Bond Fund, Core Plus Fixed Income Fund, Diversified Large Cap Equity, Diversified Small to Mid (SMID) Cap Equity, International Equity and Core Real Estate Portfolio.

FMPTF's target asset allocation for the three allocations are listed below.

		<b>Fund A</b>	<b>Fund B</b>	<b>Fund C</b>
	<b><u>FMIVT Portfolio</u></b>	<b><u>Target</u></b>	<b><u>Target</u></b>	<b><u>Target</u></b>
<b>Equities</b>		<b>60%</b>	<b>70%</b>	<b>50%</b>
Large Cap				
	Diversified Large Cap Equity	25%	30%	22%
Small Cap				
	Diversified Small to Mid Cap Equity	14%	16%	10%
International				
	International Equity	21%	24%	18%
<b>Fixed Income (Incl. Cash)</b>		<b>30%</b>	<b>20%</b>	<b>40%</b>
Core Bonds	Broad Market High Quality	15%	10%	20%
Core Plus	Core Plus Fixed Income Fund	15%	10%	20%
<b>Real Assets</b>				
Core Real Estate	Core Real Estate Portfolio	10%	10%	10%

\* Investment in the 0-2 High Quality Bond Fund would occur at the election of participants terminating their investment in the FMPTF.

A variance of more than 10% from the approved allocation percentages of any asset class requires approval by the Master Trustees. Percentage allocations are intended to serve as guidelines; the Master Trustees will not be required to remain strictly at the designated allocation. Market conditions or an investment transition (asset class or manager) may require an interim investment strategy and, therefore, a temporary imbalance in asset mix.

Overall asset allocation targets shall be reviewed on an annual basis and formal report submitted to the Board every three years by the current performance monitoring consultant.

## **B. Performance Objectives**

Each Fund's total return will be expected to provide equal or superior results, using a three-year moving average, relative to the following benchmarks:

1. A relative return objective (Policy Benchmark)

Fund A - 25% S&P 500 Index, 14 % Russell 2500 Index, 21% MSCI ACWI ex USIndex 30% Barclays Capital Aggregate Bond Index and 10% NFI ODCE Index

Fund B - 30% S&P 500 Index, 16% Russell 2500 Index, 24 % MSCI ACWI ex US Index 20% Barclays Capital Aggregate Bond Index and 10% NFI ODCE Index

Fund C - 22% S&P 500 Index, 10% Russell 2500 Index, 18 % MSCI ACWI ex USIndex 40% Barclays Capital Aggregate Bond Index and 10% NFI ODCE Index

Fund D – Consistent with the strategic asset allocation set by the Member

2. A relative return objective of above median in consultant's total fund peer group universe.

Each Equity, Fixed Income and Real Estate Portfolio's total return is expected to provide equal or superior results relative to an appropriate benchmark as specified in the FMIVT guidelines for the particular portfolio and a relevant peer group universe.

## **C. Investment Manager Guidelines**

The FMPTF hereby adopts the investment manager guidelines as stated for each of the FMIVT portfolios as amended and updated from time to time.

## **D. Florida Statutes Chapter 175/185 Divestiture**

For any Chapter 175 or 185, Florida Statutes, plans participating in the Master Trust Fund, the Administrator and Investment Consultant shall periodically identify and report any direct or indirect holdings the Fund may have in any scrutinized company, as provided in Section 215.473, Florida Statutes, to the plans. The Master Trust Fund shall divest any direct holdings it may have in any scrutinized company as provided in Chapters 175 or 185, and Section 215.473, Florida Statutes. Indirect holdings in actively managed investment funds of any scrutinized company shall be subject to the provisions of Section 215.473(3)(e), Florida Statutes. However, investment managers of such actively managed investment funds containing companies that have scrutinized active business operations shall be requested to consider removing such companies from the fund or create a similar actively managed fund having indirect holdings devoid of such companies. If the investment manager creates such a similar fund, the Master Trust Fund shall replace all applicable investments subject to the provisions of Chapters 175 or 185, and Section 215.473, Florida Statutes, with investments in the similar fund in an expedited time frame consistent with prudent investing standards.



**FLORIDA MUNICIPAL PENSION TRUST FUND**  
**INVESTMENT POLICY**  
*Amended and Restated As of June 8, 2023*

**I. AUTHORITY**

The Master Trust Agreement originally made as of the 16<sup>th</sup> day of December, 1983, and as amended and restated most recently as of November 29, 2018, by and between all parties who are now or may hereafter become members of the Florida Municipal Pension Trust Fund (“FMPTF” or the “Master Trust Fund”) and the individuals named as Master Trustees pursuant to Section 109 of the Master Trust Agreement and their successors (such trustees collectively referred to as the “Master Trustees”). The Master Trust Agreement provides that the Master Trustees have the exclusive authority and discretion to manage and control the assets of the Master Trust Fund according to the provisions herein. Except as otherwise defined herein, the capitalized terms in this policy shall have the same meaning as such terms have in the Master Trust Agreement. Notwithstanding any provisions of this Investment Policy to the contrary, including but not limited to provisions in Sections II, III, IV, VI, VII, IX, X, XIII, and XIV, investment options selected by Participating Employers under Open Architecture Investment are exempt from the provisions of this Investment Policy. Participating Employers who select Open Architecture Investment are responsible for selecting and overseeing investment options for Participating Employees, Beneficiaries, and Alternate Payees which includes, among other matters, establishing default investment option(s), and which may also include establishing an investment policy, asset classes, and desired performance results.

**II. PURPOSE**

The purpose of the Master Trust Fund is to collectively manage the investment of the assets of the Plans of participating Florida governments. The Master Trust Fund operates as a non-profit, tax-exempt entity that provides professional and cost-effective investment and administrative services for all types of retirement plans.

The Master Trustees have established the herein investment policy and portfolio guidelines to assist the Administrator in the administration of the assets of the Master Trust Fund; to guide the investment managers in structuring portfolios consistent with the Master Trust Fund’s desired performance results and an acceptable level of risk; and to assure the Master Trust Fund assets are managed in a prudent fashion.

Except for the selection and oversight of investment options under Open Architecture Investment, this policy is applicable to all funds, assets and properties under the control of the Master Trustees and to all consultants, agents, and staff responsible to the Master Trustees.

**III. DUTIES AND RESPONSIBILITIES**

**A. Administrator.** Under the direction of the Master Trustees, it shall be the responsibility of the Administrator to supervise and administer the Master Trust Fund’s investment program pursuant to a written agreement between the Master Trust Fund and the Administrator, including, but not limited to, the following:

1. Supervise and coordinate the activities of qualified investment management firms, dealers, brokers, issuers, custodians, consultants and other investment advisors in keeping with this investment policy.
2. Provide advice and assistance in the administration and operation of the Master Trust Fund's investment program.
3. Establish accounting systems and procedures for the safekeeping, disposal of and recording of all investment assets held or controlled by the Master Trust Fund including the establishment of appropriate internal controls as required.
4. Assist in the design, development, operation, review and evaluation of the Master Trust Fund's investment program for compliance with this policy.
5. Advise the Master Trustees as to recommendations relative to amendments to this policy.
6. Inform the Master Trustees of unaddressed concerns with the Master Trust Fund's investment program.
7. Immediately notify the Master Trustees of any event or of any information that may have a severe and adverse effect on the Master Trust Fund's investment program under the provisions of this policy.

**B. Investment Managers.** Under the direction of the Master Trustees and subject to an applicable written investment management agreement, the duties and responsibilities of the investment managers for the Master Trust Fund shall include, but not be limited to, the following:

1. Will have full discretion in the management of assets allocated to the investment managers, subject to the overall investment policy and guidelines set by the Master Trustees.
2. Serve as fiduciaries responsible for specific securities decisions.
3. Will abide by duties, responsibilities and guidelines detailed in any specific investment manager agreement.

**C. Custodian.** Under the direction of the Master Trustees and subject to an applicable written custodial agreement, the duties and responsibilities of the Custodian shall include, but not be limited to, the following:

1. Accepts possession of securities for safekeeping; collects and disburses income; collects principal of sold, matured or called items; provides periodic accounting statements; and processes and maintains securities lending program.
2. Meets as required with the Master Trustees and provides reports relative to the status of the Master Trust Fund.

3. In a timely fashion, forwards and transmits to the appropriate investment managers all proxies related to equity securities held in an account.

4. Will abide by duties, responsibilities and guidelines detailed in any specific custodial agreement.

**D. Performance Monitoring Consultant (Investment Consultant).** Under the direction of the Master Trustees and subject to an applicable written investment consulting agreement, the duties and responsibilities of the investment consultant shall include, but not be limited to, the following:

1. Assists the Master Trustees in developing investment policy guidelines, including asset class choices, asset allocation targets and risk diversification.

2. Provides the Master Trustees with objective information on a broad spectrum of investment management specialists and helps construct a portfolio management team of superior investment managers.

3. Monitors the performance of the investment managers and provides regular quarterly reports to the Master Trustees, which will aid the Master Trustees in carrying out the intent of this policy.

4. Reports conclusions and recommendations to the Master Trustees as required.

5. Evaluates and makes recommendations, as needed, on portfolio management.

6. Evaluates and makes recommendations, as needed, on other areas of investment, such as real estate, foreign securities or venture capital.

7. Will abide by duties, responsibilities and guidelines detailed in any specific investment consulting agreement.

#### **IV. INVESTMENT AND FIDUCIARY STANDARDS**

The standard of prudence to be used by investment advisors, money managers or other qualified parties or individuals with contracted investment responsibilities with the Master Trust Fund (the “Managers”) shall be the “prudent person”, which provides that the investments of the Master Trust Fund shall be made with the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of the invested Master Trust Fund assets considering the probable income, total return and probable safety of these Master Trust Fund investments. Managers shall adhere to the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A) through (C). Individuals, acting in accordance with established procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to minimize any investment losses.

Any individual who is involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Managers shall have a written policy which addresses the disclosure of potential conflict-of-interests which shall be submitted to the Administrator upon request. Managers shall also disclose to the Administrator any material financial/investment position or finding which may be contrary to this policy or otherwise related to the performance of the Master Trust Fund's portfolio. Any adverse findings of the U.S. Department of Labor or the Securities and Exchange Commission regarding a Manager or its financial activities shall be brought to the immediate attention of the Master Trustees by the Administrator once the Administrator is notified.

Before engaging in any investment transactions with the Master Trust Fund, a Manager shall have submitted to the Administrator a signed certification from a duly authorized representative attesting that the individuals responsible for the Master Trust Fund's account have reviewed and shall comply with this investment policy and that they agree to undertake reasonable efforts to preclude imprudent transactions involving the assets of the Master Trust Fund.

## **V. INTERNAL CONTROLS**

The Master Trustees require that the Administrator and any other designees establish a system of internal controls which shall be in writing. These controls shall be reviewed by independent certified public accountants as part of any required periodic financial statement audit. The internal controls should be designed to prevent losses of the Master Trust Fund which might arise from fraud, error, misrepresentation by third parties, or imprudent actions by the Master Trustees, Administrator or other designees.

## **VI. BROKERAGE AND BID REQUIREMENT**

Managers shall use their best efforts to ensure that portfolio transactions are placed on a best execution basis. The Master Trustees intend to utilize recapture commissions when it does not interfere with best execution, solely at the discretion of the investment managers. Managers are required to, on a quarterly basis, report all brokerage transactions and reasons for using brokers to the Master Trustees. The Managers shall competitively bid securities in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid must be selected.

## **VII. PROXY VOTING**

Responsibility for the voting of proxies shall be with the Master Trustees. The Master Trustees may exercise the right to assign this responsibility to the investment managers. Since proxy votes may be considered an asset of the Master Trust Fund, the assignment of voting proxies shall be exercised solely in the interest of the participants and beneficiaries of the Master Trust Fund, and for the exclusive purpose of providing benefits to participants and beneficiaries. Documentation related to the handling and voting of proxies will be reported to the Master Trustees on a quarterly basis.

The Master Trustees may (but are not required to) solicit Participating Employees' instructions as to the voting of a Master Trust Fund investment for their benefit. In so doing, the

Master Trustees may solicit instructions from only those Participating Employees whose Plan accounts held the applicable investment on the record date fixed by the investment issuer. To the extent that the Administrator receives proper instructions from these Participating Employees, the Master Trustees shall vote the Master Trust Fund's rights in accordance with the instructions. To the extent of the Master Trust Fund's rights for which Participating Employees did not give proper instructions, the Master Trustees may vote in their discretion.

## **VIII. CONTINUING EDUCATION**

The Master Trust Fund acknowledges the importance of continuing education for Master Trustees. To that end, the Master Trustees shall attend appropriate educational conferences in connection with their duties and responsibilities as Master Trustees.

## **IX. REPORTING AND PERFORMANCE MEASUREMENT**

The Administrator shall submit to the Master Trustees a quarterly investment report with information sufficient to provide for a comprehensive review of investment activity and performance for the quarter. Performance shall be measured against appropriate indices identified by the Master Trustees for each investment category. This report shall summarize recent market conditions, economic developments and anticipated investment conditions. The report should also summarize the investment strategies employed in the most recent quarter, and describe the portfolio in terms of investment securities, maturities, risk characteristics, adherence to guidelines and other relevant features.

Managers shall provide timely transaction and performance data to record and document investment activity, including asset valuation, yield and total return data and such other relative performance data of the Master Trust Fund's portfolio on a periodic basis as may be reasonably requested by the Administrator.

The Administrator, Managers and other contracted parties shall provide to the Master Trust Fund's auditor such verifications or reports as are required for the purpose of developing and supporting the annual financial statements of the Master Trust Fund and the footnotes thereto.

Managers shall provide immediate written and telephonic notice to the Administrator of any significant event relating to the Master Trust Fund, specifically but not limited to the resignation, termination or incapacity of any senior personnel of any Manager.

## **X. RISK AND DIVERSIFICATION**

The Master Trustees will monitor the return per unit of risk (as measured by the standard deviation of quarterly returns) of the Master Trust Fund's assets on an ongoing basis, with each Manager's contribution being reviewed independently and as to its impact on the overall Master Trust Fund's investment return and volatility of results over time. Each Manager's contribution will be measured against similar data for appropriate benchmarks.

Investment guidelines and monitoring will provide controls for identifying and limiting risk of loss from over concentration of assets invested in a specific maturity, with a single issuer,

in like instruments, or dealers or through utilization of intermediaries for purchase and sale of investments.

Risk and diversification strategies shall be reviewed and revised, if necessary, on a regular basis in light of the current and projected market condition and the Master Trust Fund's needs.

Assets in the Master Trust Fund shall be diversified among equities, fixed income and real estate to minimize overall portfolio risk consistent with the level of expected return and thereby improve the long-term return potential of the Master Trust Fund's assets. The Master Trustees reserve the right to add additional diversification by retaining multiple Managers or portfolios, upon Master Trustee approval and amendment to this policy, to further minimize portfolio risk or to maintain the level of expected return.

Managers shall be selected to fulfill a particular diversifying role within the Master Trust Fund's overall investment structure. It is the express intent of the Master Trustees to grant each Manager substantial discretion over the assets under its control.

## **XI. CUSTODIAN**

The Custodian shall hold all actively managed or non-indexed assets of the Master Trust Fund. The Custodian will operate in accordance with a separate agreement with the Master Trustees. All securities shall be held with a third party, and all securities purchased by, and all collateral obtained by the Master Trustees shall be properly designated as an asset of the Master Trustees. No withdrawal of securities, in whole or in part, shall be made from safekeeping except by the Master Trustees or their designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery versus payment" basis, if applicable, to ensure that the Custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

## **XII. DEFINED BENEFIT PLAN SPECIFICATIONS**

These provisions relate to the investment of the assets of the Defined Benefit Pension Plan Trust and the portion of the Other Post-Employment Benefit Plan Trust relating to other post-employment benefit plans that are defined benefit plans.

**A. Investment Objective and Expected Annual Rate of Return.** The primary objective is to seek long-term growth of capital and income consistent with conservation of capital. Necessary liquidity will be maintained to meet payout requirements. Emphasis is placed on achieving consistent returns and avoiding extreme volatility in market value.

As of October 1 of each year, the individual members of the FMPTF will annually determine for their defined benefit plans the total expected annual rate of return for the current year, for each of the next several years and for the long-term thereafter. This determination must be filed promptly with the Department of Management Services, the Administrator, Master Trustees, and the actuaries, if any, for the Plans.

**B. Asset Allocation and Portfolio Composition.** Assets of the Master Trust Fund shall be invested in a diversified portfolio consisting of equity and debt. Although cash is not included in the asset allocation of the Master Trust Fund, surplus cash flows, additional

contributions and Manager cash will be utilized to pay obligations of the Master Trust Fund and periodic re-balancing of the assets. The Master Trust Fund may consider investments in other asset classes which offer potential enhancement to total return at risks no greater than the exposure under the initially selected asset classes.

From time to time the Master Trustees will adopt asset allocation strategies within the ranges specified below:

	<u>Maximum Target Limitation</u>
Equities	70% at market

The Master Trustees may employ an independent consultant to perform an annual, or more frequent, Asset Allocation Report that will include, but not be limited to, a strategic analysis and report on asset allocation investments between different types of investments and appropriate changes to the percentages therein. This study will be used to assist the Master Trustees in the determination of the appropriate investment allocation to maximize the return and minimize the risk to the pooled assets of the Master Trust Fund. This study may include a recommendation to add or delete asset classes as is warranted by the risk/reward analysis and by Master Trustees' approval.

The Master Trustees are not bound by acceptance or denial of recommendations presented in conjunction with the Asset Allocation Report.

It is not the intention of the Master Trust Fund to become involved in the day-to-day investment decisions. Therefore, the Administrator is authorized by this policy to make asset allocation decisions to reallocate or redirect either contributions or the investments held by the Master Trust Fund in order to take advantage of changing market conditions. Any tactical allocation that will cause the allocation of the investment classes to vary from the approved strategic allocation percentages of any asset class by more than 10% requires approval by the Chair of the Master Trustees.

The Administrator will report to the Master Trustees at their quarterly meetings on the tactical and re-balancing allocation decisions made during the prior quarter.

**C. Maturity and Liquidity.** The Master Trust Fund shall provide sufficient liquidity to meet any required payment.

**D. Authorized Investments.** In an effort to accomplish the objectives of the Master Trust Fund, this policy identifies various authorized investment instruments, issuer diversification, maturity constraints, investment ratings and liquidity parameters. The following are authorized investments:

1. Repurchase agreements which are purchased only from dealers authorized by the Master Trustees and may only involve the sale and repurchase of securities authorized for purchase by this investment policy. Maximum maturity at purchase shall not exceed 180 days with a total average maturity, at any point in time, for all repurchase agreements held of not greater than 60 days.

2. Direct obligations of the United States Treasury including bills, notes, bonds and various forms of Treasury zero-coupon securities.

3. Any authorized investments purchased by or through the State Board of Administration or the Office of the State Treasurer and held on behalf of the Master Trust Fund in a commingled pool or separate account.

4. Commercial paper issued in the United States by any corporation, provided that such instrument carries a rating of A1/P1 (or comparable rating) as provided by two of the top nationally recognized statistical rating organization; and that the corporation's long term debt, if any, is rated at least A1/A+ by a nationally recognized statistical rating organization or, if backed by a letter of credit ("LOC"), the long term debt of the LOC provider must be rated at least AA (or a comparable rating) by at least two of the nationally recognized statistical rating agencies publishing ratings for financial institutions. The maximum maturity shall not exceed 270 days from the time of purchase.

5. Banker's acceptances issued within the U.S. by institutions with a long term debt rating of at least AA or short term debt rating of P1 (or comparable ratings), as provided by one nationally recognized statistical rating organization. Exceptions to the above may be approved by the Administrator from time to time and reported to the Master Trustees. The invested account of a Manager may own no more than 5% of the portfolio in banker's acceptances issued by any one depository institution at one time. Maximum maturity shall not exceed 270 days from the time of purchase.

6. Nonnegotiable Certificates of Deposit issued by Florida Qualified Public Depositories as identified by the State Treasurer's office and/or negotiable certificates of deposit issued in U.S. dollars by institutions, provided such institution carries a short term rating of at least A1/P1 (or comparable rating) and a long term rating of at least A (or comparable rating) as provided by two of the top nationally recognized rating agencies. The invested account of a Manager may own no more than \$5,000,000 in certificates of any one depository institution at one time. Maximum maturity on any certificate shall be 2 years.

7. Obligations of the agencies or instrumentalities of the federal government, including, but not limited to, the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Banks, Federal Farm Credit Banks, Student Loan Marketing Association and the Resolution Master Trust Funding Corporation.

8. Money market mutual master trust funds as defined and regulated by the Securities Exchange Commission. Money market master trust funds will be limited to monies held by trustees, paying agents, safekeeping agents, etc. as a temporary investment to facilitate relationships as delineated above.

9. Mortgage obligations guaranteed by the United States government and sponsored agencies or instrumentalities including but not limited to the Government National Mortgage Association, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. Mortgage-backed securities, including mortgage-pass through securities and collateralized mortgage obligations ("CMOs") issued, guaranteed or backed by an agency or instrumentality of the federal government or other mortgage securities including CMOs rated AAA or equivalent by a nationally recognized statistical rating



organization. Derivative mortgage securities, such as interest only, principal only, residuals and inverse floaters are prohibited.

10. Corporate fixed income securities issued by any corporation in the United States with any A rating or better. A Manager may hold no more than 3% of the invested account in any one corporation at the time of purchase.

11. Asset-backed securities issued in the United States with a rating of A or better by a NRSRO.

12. Securities of state, municipal and county governments or their public agencies, which are rated A or better by a nationally recognized statistical rating organization.

13. Commingled governmental investment trusts, no-load investment master trust funds, or no-load mutual master trust funds in which all securities held by the trusts or master trust funds are authorized investments as provided herein or as may be approved by the Master Trustees.

14. Guaranteed investment contracts (“GIC’s”) with insurance companies rated in the highest category by AM Best Rating System or a comparable nationally recognized statistical rating organization.

15. Investment agreements with other financial institutions. If collateralized, the collateral securing the investment agreement shall be limited to those securities authorized for purchase by this investment policy. The invested account of a Manager may own, at one time, no more than \$10,000,000 in investment agreements from any one financial institution. Investment agreements are obligations of financial institutions typically bearing a fixed rate of interest and having a fixed maturity date. Investment agreements are privately negotiated and illiquid.

16. Equity assets, including common stock, preferred stock and interest bearing obligations having an option to convert into common stock.

17. Florida Municipal Investment Trust (FMIvT) Portfolios.

**E. Valuation of Illiquid Investments.** If illiquid investments for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism, the criteria set forth in Section 215.47(6), Florida Statutes, shall apply, except that submission to an Investment Advisory Council is not required. For each plan year (defined benefit plans only) the Master Trustees must verify the determination of the fair market value for those investments and ascertain that the determination complies with all applicable state and federal requirements. The Master Trustees shall disclose to the Department of Management Services and the Administrator each such investment for which the fair market value is not provided.

**F. Master Repurchase Agreements.** All approved institutions and dealers transacting repurchase agreements shall execute and perform as stated in a Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master

Repurchase Agreement. This provision does not restrict or limit the terms of any such Master Repurchase Agreement.

**G. Criteria for Investment Manager Review.** The Master Trustees wish to adopt standards by which ongoing retention of a Manager should be determined. With this in mind, the following guidelines are adopted:

If, at any time, any one of the following is breached, the Manager will be notified of the Master Trustees' serious concern for the Fund's continued safety and performance and that manager termination could occur.

1. Consistent performance below the 50<sup>th</sup> percentile in the specified universe over rolling 3-year periods.
2. Consistent under-performance of the stated target index over rolling 3-year periods.
3. Loss by the Manager of any senior personnel deemed detrimental to the Manager's ability to perform required duties or any potentially detrimental organizational issues that may arise and have an effect on the management of Master Trust Fund assets.
4. Substantial change in basic investment philosophy by the Manager.
5. Substantial change of ownership of the firm deemed detrimental to the Manager's ability to perform required duties.
6. Failure to attain at least a 51% vote of the confidence of the Master Trustees.
7. Failure to observe any guidelines as stated in this policy.

This shall in no way limit or diminish the Master Trustees' right to terminate the Manager at any time for any reason.

An investment management agreement will be entered into between the Master Trustees and each Manager. Each investment management agreement will include such items as fiduciary standards, notice requirements, duties and responsibilities and specific investment guidelines for the Manager and will be subject to the prior review and approval of an attorney for the Master Trustees.

All Managers must be duly registered with the appropriate government agencies to act in the capacity of investment manager on behalf of the Master Trustees. Any Manager appointed shall promptly notify the Master Trustees in the event any circumstance arises that may result in its failing to continue to meet the requirements stipulated by the respective government agencies.

A Manager's performance will be evaluated with the assistance of performance measurement consultants on an on-going basis and will be a primary criteria for their retention.

**H. Deferred Retirement Option Program Funds.** For a defined benefit plan within the Defined Benefit Pension Plan Trust, an employer or board of trustees may establish a Deferred Retirement Option Program (“DROP”) distribution option whereby DROP funds are invested through the Master Trust Fund or allow participant-directed investment of DROP funds through the Master Trust Fund as provided under Article XIII of this Investment Policy.

**I. “Pecuniary Factor” - Compliance with Section 112.662, Florida Statutes.** As used herein, the term “pecuniary factor” means a factor that the Administrator, investment managers, named fiduciary, or Master Trustees prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the defined benefit plans. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

When deciding whether to invest and when investing the assets of the defined benefit plans, only pecuniary factors may be considered and the interests of the participants and beneficiaries of the plans may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns.

If, at any time, the Master Trustees are to exercise shareholder rights or are to exercise such rights on behalf of the defined benefit plans, including the voting of proxies, only pecuniary factors may be considered and the interests of the participants and beneficiaries of plans may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor.

### **XIII. DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLAN SPECIFICATIONS**

These provisions relate to the investment of the assets of the Defined Contribution Pension Plan Trust, the Deferred Compensation Plan Trust, the portion of the Other Post-Employment Benefit Plan Trust relating to other post-employment benefit plans that are defined contribution plans, and the portion of the Defined Benefit Pension Plan Trust relating to participant-directed investment of Deferred Retirement Option Program funds. As provided in Section I. Authority of this Investment Policy, the provisions in this Section XIII have limited or no application to investment options selected and overseen by a Participating Employer under Open Architecture Investment.

**A. Purpose.** The Master Trustees are charged with the overall responsibility to manage the Master Trust Fund assets prudently on behalf of the Participating Employees. The general purpose of this investment policy is to assist the Master Trustees in discharging their responsibility to supervise, monitor and evaluate the investment of the Master Trust Fund assets. The Master Trustees believe this investment policy should be dynamic and should be reviewed periodically. The Master Trustees intend that this policy will not be overly restrictive given changing economic, business and capital market conditions.

Therefore, this policy is compiled to ensure:

1. The Master Trustees define a formal set of investment objectives, guidelines and procedures for the management of the Master Trust Fund assets, subject to the terms of the Plans' documents and investment advisory agreements entered into by the Managers and the Trustees.

2. Direct and indirect investment expenses are controlled and reasonable.

3. The investments of the Master Trust Fund assets are managed in accordance with the fiduciary prudence and due diligence requirements that experienced investment professionals would utilize and with all applicable laws, rules and regulations from various state, local and federal agencies that may impact the Master Trust Fund assets.

4. If and to the extent permitted by their respective Plans, Participating Employees and Beneficiaries have the ability to invest in a variety of asset classes, thereby gaining exposure to a wide range of investment opportunities.

**B. Investment Objective.** To the extent any Plans provide for participant-directed investments, the Master Trust Fund will make available a range of different diversified investment options that have varying degrees of risk and return.

It is anticipated, but not required, that the same investment options be available for each Plan. Investment options offered to Participating Employees and their Beneficiaries shall be approved by the Trustees.

To the extent any Plans provide for participant-directed investment, the primary objective of the Master Trust Fund is to offer the Participating Employees and their Beneficiaries a range of investment choices to permit diversification and a choice of investment strategies. The objectives are further defined as follows:

1. To provide a spectrum of investment options so a Participating Employee will be able to choose the investment mix that may fall within a range of risk and return characteristics customarily appropriate for the Participating Employee.

2. To provide sufficient investment choices so that the asset classes selected shall be such that taken together Participating Employees will have a reasonable opportunity to materially affect the potential investment returns in their accounts, while at the same time controlling risk or volatility. It is the intent that a Participating Employee may be able to build a balanced portfolio in a manner generally consistent with modern portfolio theory.

**C. Guidelines**

1. Investment options for the Participating Employees shall be determined solely in the interest of the Participating Employees and their Beneficiaries and for the exclusive purpose of providing benefits to the Participating Employees and their Beneficiaries.

2. Investment options for the Participating Employees shall be determined with the care, skill, prudence and diligence under the circumstances then prevailing that a

prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and aims.

3. Investment options for the Participating Employees shall be determined so as to offer an array of investment options so Participating Employees can protect themselves from large losses by appropriately diversifying their account.

**D. Participant Control.** To the extent permitted by the Plans, Participating Employees shall be given control over the investment allocation process. This shall include the right to change investment allocations of existing account balances and future contributions daily. Participating Employees shall also be given information necessary for them to reasonably understand the investments and to make reasonably informed investment decisions.

**E. Self Directed Investment Option.** Participants are allowed to self-direct their Pension accounts within the mutual fund offering. .

**F. Procedure**

1. The Master Trustees shall use business judgment in selecting investment products limited to registered investment company [“mutual fund”] shares and collective investment fund units, which the Master Trustees may own indirectly through a group trust or a securities account. The Plans’ investment options shall not include any investment for which the indicia of ownership cannot be held by the Master Trustees in the United States of America. Investment companies need not be classified as “diversified” as defined by the Investment Company Act of 1940. Both passive and actively managed investment strategies will be considered.

2. The following characteristics (when applicable) shall be considered in selecting the specific asset classes and corresponding investments to be made available to Participating Employees:

(a) Investment category and objective as defined in the prospectus or equivalent literature as well as current and historically consistent adherence to the asset classes and investment styles as defined in Section XIII.F below.

(b) The Manager(s) and tenure. (Longer tenure is preferred.)

(c) Acquisition costs and ongoing management fees including turnover. (Lower fees and turnover are preferred.)

(d) Investment record: total returns (net of expenses) on a time-weighted basis over three- and five-year periods and their relationship to appropriate benchmarks and peer groups. (Higher returns are preferred.)

(e) Risk adjusted return measurements: Sharpe Ratio and Alpha Returns and their relationship to appropriate benchmarks and peer groups. (Higher Sharpe Ratio and Alpha Return are preferred.)

(f) Risk characteristics: risk as measured implicitly by reviewing standard deviation and beta as used to compute Sharpe Ratios and Alpha statistics. (Lower standard deviations and betas are preferred.)

(g) Any other criteria that the Master Trustees deem worthwhile in judging the suitability of an investment, as long as the overall range of other investment options meets all requirements of this investment policy.

The Master Trustees shall review the long-term performance, risk and correlation characteristics of various asset classes, focusing on the balance between risk and return and the asset class' market behavior so that the investment options reasonably span the risk/return spectrum.

3. Miscellaneous Criteria: In selecting the specific investments to be made available to participants, the Master Trustees shall consider the following additional criteria:

(a) *Services to Participating Employees*

- (1) Communication from the funds
- (2) Accessibility to fund information
- (3) Ease and cost of investment transfers
- (4) Nature and frequency of reports to Participating Employees

(b) *Services to Master Trustees*

- (1) Nature and frequency of investment reports
- (2) Availability and access to Administrator and Managers
- (3) Corresponding costs and expenses associated with Plan record keeping and reporting and administration
- (4) Quantitative and qualitative due diligence regarding the Managers

**G. Asset Classes.** As a result of review and analysis, and in consideration of the criteria outlined in this policy, the Master Trustees have selected the following asset classes (investment styles) and may achieve objectives through passive (index) or active management. It is understood that this list is dynamic and subject to change by amendment of this policy at any time and from time to time:

- a) Money Market Fund – Invests in high quality money market instruments, seeks current income, seeks to maintain a constant \$1 net asset value (NAV)
- b) Stable Value Fund – Seeks income with capital preservation by investing in a pool consisting of one or more of the following: Guaranteed Investment Contracts, Synthetic Investment Contracts and Separate Account Investment Contracts issued by insurance companies; Bank Investment Contracts; Asset backed securities; Treasury bonds; and cash equivalents. The preponderance of its assets is invested in securities with a credit quality of AAA.

- c) **Intermediate Bond Fund** –Seeks a moderate and sustainable level of current income, and aggregate performance consistent with intermediate-term, investment-grade fixed income securities. While investing primarily in high quality corporate bonds, the manager emphasizes sectors and securities that represent good relative value, and modestly adjusts portfolio duration based on the interest rate outlook, the shape of the yield curve, and other factors.
- d) **Total Bond Market Index** – Seeks to track the performance of the BloomBar Capital U.S. Aggregate Bond Index. Broadly diversified exposure to investment-grade U.S. bond market. Intermediate Duration portfolio. Provides moderate current income with high credit quality.
- e) **Total International Bond Index** - Seeks to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Index. Broadly diversified exposure to the global, investment-grade, fixed-rate debt markets outside of the United States by investing in government, government agency, corporate, and securitized non-U.S. investment grade fixed-income investments.
- f) **Large Company Value** – Invests in large and mid cap value stocks. Seeks long-term capital and income.
- g) **Large Company Growth** – Invests in large and mid cap growth stocks. Seeks long-term capital appreciation.
- h) **Large Cap Index Fund** – Seeks to track the performance of the S&P 500 Index. Predominantly U.S. Large Cap stocks, diversified across growth and value styles.
- i) **Social Index Fund** – Seeks to track the performance of the FTSE4Good US Select Index by investing in large and mid capitalization US stocks that are screened for certain social and environmental criteria.
- j) **Small to Mid Cap Core** – Invests in small to medium sized company stocks. Seeks long-term capital growth.
- k) **Small Cap Index Fund** – Seeks to track the performance of the CRSP US Small Cap Index. Small cap equity diversified across growth and value styles.
- l) **International Stock Index Fund** – Seeks to track the performance of the FTSE Global All Cap Ex US Index. International equity diversified across growth and value styles.
- m) **Emerging Markets Stock Index Fund** - Seeks to track the performance of the FTSE Emerging Markets All Cap China A Inclusion Index which represents large-,mid-, and small-cap stocks of companies located in emerging market countries.
- n) **International Small Cap Index Fund** - Seeks to track the performance of the FTSE Global Small Cap ex US Index which represents broad exposure across developed and emerging non-U.S. small-cap equity markets.

- o) Real Estate Index – Seeks to track the performance of the FTSE NAREIT Index. Invests in Equity Real Estate Investment Trusts.
- p) Balanced Fund – Balanced Allocation 60% to 70% stocks, 30% to 40% bonds. Seeks long-term capital appreciation and reasonable current income, with moderate risk. Primarily invests in large and mid capitalization value stocks and intermediate, short and long term government and investment grade corporate bonds.
- q) Target Retirement Funds – A lineup of multiple targeted maturity funds that offer a range of maturity dates that provide investors of different ages with a single solution or core investment for their retirement portfolio. Each fund gradually and automatically shifts the underlying asset allocation to become more conservative as the retirement date draws near.

**H. Trustee-Directed Participant Allocation.** The following investment allocation will be made for each Participating Employee's account that does not file and maintain a timely investment election form.

Age Based Default Fund utilizing the Vanguard Target Retirement Funds

**I. Performance Measurement.**

1. Each actively-managed investment shall be measured against the performance of its corresponding asset class and peer group as defined by performance monitoring services deemed to be acceptable by the investment consultant to the Master Trust Fund.

2. The performance of each active and passive investment shall be measured against market indexes that correspond with its investment category.

- a) Money Market Fund: 90-Day Treasury Bills
- b) Stable Value Fund: 90-Day Treasury Bills
- c) Intermediate Bond Fund: BloomBar US 5-10 Year Credit Index
- d) Total Bond Market Index Fund: BloomBar US Aggregate Bond Index
- e) Total International Bond Index Fund: BloomBar Global Aggregate Index
- f) Large Company Value: Russell 1000 Value Index
- g) Large Company Growth Fund: Russell 1000 Growth Index
- h) Large Company Index Fund: S&P 500 Index
- i) Social Index Fund: FTSE4Good US Select Index
- j) Small to Mid Cap Core: Russell 2500 Index
- k) Small Cap Index Fund: CRSP US Small Cap Index
- l) International Stock Index Fund: FTSE Global All Cap Ex US Index
- m) Emerging Markets Index Fund: FTSE Emerging Markets All Cap China A Inclusion Index
- n) International Small Cap Index Fund: FTSE Global Small Cap ex US Index



- o) Real Estate Index Fund: FTSE NAREIT Index
- p) Balanced Fund: Blended Index of 60% S&P 500 & 40% BloomBar Aggregate Bond Indices
- q) Target Retirement Funds: S&P Target Date Indices

3. The performance of each investment may be measured against additional standards and benchmarks established by the Master Trustees from time to time as criteria for continued acceptance of each investment.

4. It is understood that the passively-managed options within the Master Trust Fund will not be measured relative to peer groups, but rather have the goal of mirroring both the risk and return of their appropriate benchmark.

#### **J. Criteria for Evaluating Funds Selected in Each Asset Category**

1. The following information shall be considered in determining if an investment option should be replaced. Once an investment is selected for the Master Trust Fund, performance will be evaluated from the date it was added to the Master Trust Fund using these criteria. At all times each mutual fund must carry a Morningstar Star rating of at least a three if available.

(a) Portfolio statistics as determined by portfolio and style analysis that demonstrates a departure from the fund's intended investment category (asset class).

(b) Termination of the Manager, material change in the management team or change in ownership.

(c) Increase in direct and indirect expenses.

(d) Actively managed funds should outperform their relevant benchmark over a 3 and 5 year time frame.

(e) Actively managed funds should rank above median compared to their relevant group over a 3 and 5 year time frame.

(f) Actively managed funds should rank above median in 2 of the last 3 rolling 1 year intervals compared with their relevant benchmarks.

(g) Passively managed funds should approximate the risk (standard deviation) and return of their relevant benchmark over all time periods.

(h) Target retirement funds should generate a sharpe ratio (risk/return statistic) that exceeds their relevant benchmark over a 3 and 5 year time frame.

(i) Any other information that may lead the Master Trustees to believe the fund is not fulfilling the intent and purpose of this policy, including performance relative to indexes specified in Section XIII.H above.

If any of these events occur, the Master Trustees shall consider whether the fund continues to be an appropriate investment for the Master Trust Fund. The Master Trustees acknowledge that fluctuating rates of return characterize the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in performance, the Master Trustees intend to evaluate Manager performance from a long-term perspective giving funds an opportunity to recover from periods of poor returns. If a Manager has consistently failed to adhere to one or more of the above conditions, it is reasonable to presume a lack of adherence going forward. Failure to remedy the circumstances of unsatisfactory performance by the Manager, within a reasonable time, shall be grounds for termination. Any recommendation to terminate a Manager will not be made solely based on quantitative data. Frequent changes are neither expected nor desirable. When a fund is replaced, all assets in the replaced fund will be transferred to the new fund 30 days after the Master Trustees have voted to remove the fund. Written notice to all affected Participating Employers will be sent within 10 days of the Master Trustees decision to remove the fund. All deposits previously allocated into the replaced fund will be directed to the new fund. Appropriate information about the fund replacement and new fund prospectus will be given to Participating Employees prior to the exchange.

*Events that Constitute Immediate Removal of a Mutual Fund.*

In an effort to maintain strict oversight of the mutual funds in which assets of the Defined Contribution Pension Plan Trust, Deferred Compensation Plan Trust, Defined Benefit Pension Plan Trust Deferred Retirement Option Program, and Other Post-Employment Benefit Plan Trust are held, the following guidelines have been developed as a basis for when a mutual fund must immediately be removed from the Master Trust Fund. Funds meeting the following criteria may be removed by the Administrator with 30 days written notice to affected Participating Employees and notification to the Chair of the Master Trustees. Written notice to all affected Participating Employers will be sent within 10 days of the decision to remove the fund. Appropriate information about the fund's replacement and new fund prospectus will be given to Participating Employees prior to the exchange.

- Management team termination
- Material and significant changes to the fund's investment policy.

2. Qualitative due diligence of each fund will be conducted on a periodic basis with appropriate parties at each investment entity. Any issue materially affecting the management staff and investment process associated with each fund will be considered, including:

- (a) Changes to the management team or the firm's ownership.
- (b) Modifications to the fund's investment policy, philosophy and decision process.

(c) Deviation of investment style, regulatory action and investigation or litigation by a government agency.

K. **Proxy Voting**. The Master Trustees will vote on all proxies issued by the mutual funds.

#### **XIV. REVIEW AND AMENDMENTS**

It is intended that the Managers, investment consultants, Administrator and Master Trustees review this investment policy periodically. If at any time a Manager or consultant believes that the specific objectives defined herein cannot be met or that the guidelines unreasonably constrict performance, the Master Trustees shall be notified in writing. By the initial and continuing acceptance of these investment guidelines, the Manager concurs with the provisions of this policy.

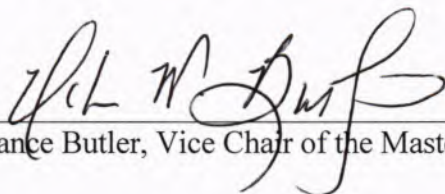
#### **XV. FILING OF INVESTMENT POLICY**

Upon adoption by the Master Trustees, this investment policy shall be promptly filed with the Department of Management Services, the Participating Employers and the Plans' actuaries, if any.

#### **XVI. EFFECTIVE DATE**

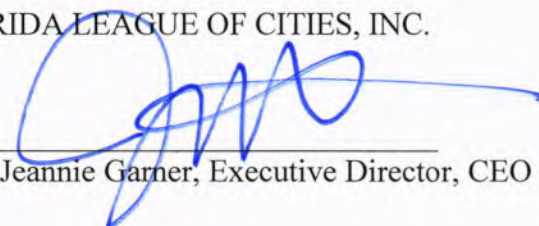
This amendment and restatement of the Florida Municipal Pension Trust Fund Investment Policy shall become effective as of June 8, 2023.

Adopted by the Master Trustees of the Florida Municipal Pension Trust Fund this 8th day of June, 2023.

  
\_\_\_\_\_  
Constance Butler, Vice Chair of the Master Trustees

Attest:

FLORIDA LEAGUE OF CITIES, INC.

By:   
\_\_\_\_\_  
Jeannie Garner, Executive Director, CEO

# **The 2023 Florida Statutes**

## **CHAPTER 112**

### **PUBLIC OFFICERS AND EMPLOYEES: GENERAL PROVISIONS**

#### **PART I**

#### **CONDITIONS OF EMPLOYMENT; RETIREMENT; TRAVEL EXPENSES**

(ss. 112.011-112.23)

#### **PART II**

#### **INTERCHANGE OF PERSONNEL BETWEEN GOVERNMENTS**

(ss. 112.24-112.31)

#### **PART III**

#### **CODE OF ETHICS FOR PUBLIC OFFICERS AND EMPLOYEES**

(ss. 112.311-112.3261)

#### **PART IV**

#### **SUPPLEMENTAL RETIREMENT ACT FOR RETIRED MEMBERS OF STATE RETIREMENT SYSTEMS**

(ss. 112.351-112.363)

#### **PART V**

#### **SUSPENSION, REMOVAL, OR RETIREMENT OF PUBLIC OFFICERS**

(ss. 112.40-112.52)

#### **PART VI**

#### **LAW ENFORCEMENT AND CORRECTIONAL OFFICERS**

(ss. 112.531-112.536)

#### **PART VII**

#### **ACTUARIAL SOUNDNESS OF RETIREMENT SYSTEMS**

(ss. 112.60-112.67)

#### **PART VIII**

#### **FIREFIGHTERS**

(ss. 112.80-112.84)

#### **PART I**

#### **CONDITIONS OF EMPLOYMENT; RETIREMENT; TRAVEL EXPENSES**

- 112.011 Disqualification from licensing and public employment based on criminal conviction.
- 112.0111 Restrictions on the employment of ex-offenders; legislative intent; state agency reporting requirements.
- 112.021 Florida residence unnecessary.
- 112.042 Discrimination in county and municipal employment; relief.
- 112.043 Age discrimination.
- 112.044 Public employers, employment agencies, labor organizations; discrimination based on age prohibited; exceptions; remedy.
- 112.0441 Prohibition on public employee COVID-19 vaccination mandates.
- 112.0455 Drug-Free Workplace Act.
- 112.046 Political party committee membership allowed.
- 112.048 Voluntary retirement with half pay authorized for elective officers of cities or towns; appropriation.
- 112.05 Retirement; cost-of-living adjustment; employment after retirement.
- 112.0501 Ratification of certain dual retirements.
- 112.0515 Retirement or pension rights unaffected by consolidation or merger of governmental agencies.
- 112.061 Per diem and travel expenses of public officers, employees, and authorized persons; statewide travel management system.
- 112.062 Cabinet members; educational and informational travel expenses.

- 112.063 Reimbursement of county employees for educational expenses.
- 112.08 Group insurance for public officers, employees, and certain volunteers; physical examinations.
- 112.0801 Group insurance; participation by retired employees.
- 112.0804 Health insurance for retirees under the Florida Retirement System; Medicare supplement and fully insured coverage.
- 112.0805 Employer notice of insurance eligibility to employees who retire.
- 112.081 Circuit judges, participation.
- 112.09 Evidence of election to provide insurance.
- 112.10 Deduction and payment of premiums.
- 112.11 Participation voluntary.
- 112.13 Insurance additional to workers' compensation.
- 112.14 Purpose and intent of law.
- 112.151 Group hospitalization insurance for county officers and employees.
- 112.153 Local governmental group insurance plans; refunds with respect to overcharges by providers.
- 112.161 Change in position or reclassification; continuance or resumption of membership in retirement system.
- 112.171 Employee wage deductions.
- 112.175 Employee wages; withholding to repay educational loan.
- 112.18 Firefighters and law enforcement or correctional officers; special provisions relative to disability.
- 112.181 Firefighters, paramedics, emergency medical technicians, law enforcement officers, correctional officers; special provisions relative to certain communicable diseases.
- 112.1815 Firefighters, paramedics, emergency medical technicians, and law enforcement officers; special provisions for employment-related accidents and injuries.
- 112.18155 Correctional officers; special provisions for posttraumatic stress disorders.
- 112.1816 Firefighters; cancer diagnosis.
- 112.182 "Firefighter rule" abolished.
- 112.19 Law enforcement, correctional, and correctional probation officers; death benefits.
- 112.191 Firefighters; death benefits.
- 112.1911 Emergency medical technicians and paramedics; death benefits.
- 112.1912 First responders; death benefits for educational expenses.
- 112.1913 Effect of ch. 2003-412.
- 112.1915 Teachers and school administrators; death benefits.
- 112.1921 Administrative leave for law enforcement officers.
- 112.193 Law enforcement, correctional, and correctional probation officers' commemorative service awards.
- 112.194 Law enforcement and correctional officers' Medal of Valor.
- 112.21 Tax-sheltered annuities or custodial accounts for employees of governmental agencies.
- 112.215 Government employees; deferred compensation program.
- 112.217 Department of Highway Safety and Motor Vehicles; employees' benefit fund.
- 112.218 Department of Highway Safety and Motor Vehicles personnel files; fees for copies.
- 112.219 Substitution of work experience for postsecondary educational requirements.
- 112.22 Use of applications from foreign countries of concern prohibited.
- 112.23 Government-directed content moderation of social media platforms prohibited.
- 112.011 Disqualification from licensing and public employment based on criminal conviction.—**
  - (1)(a) Except as provided in s. 775.16, a person may not be disqualified from employment by the state, any of its agencies or political subdivisions, or any municipality solely because of a prior conviction for a crime. However, a person may be denied employment by the state, any of its agencies or political subdivisions, or any municipality by reason of the prior conviction for a crime if the crime was a felony or first-degree misdemeanor and directly related to the position of employment sought.
  - (b) Except as provided in s. 775.16, a person may be denied a license, permit, or certification to pursue, practice, or engage in an occupation, trade, vocation, profession, or business by reason of the prior conviction for a crime if the crime was a felony or first-degree misdemeanor that is directly related to the standards determined by the regulatory authority to be necessary and reasonably related



firm, corporation, association or other group or body may, within 30 days after such refusal, but not thereafter, institute original proceedings for relief in the circuit court of the county.

(b) There is no right to apply to the court for relief on account of any order, requirement, decision, determination, or action of any county or municipal officer pursuant to this section unless there has first been an appeal therefrom to the governing agency, board, commission, or department to which such officer is responsible.

(3) Nothing in this section shall be construed to prohibit alternative relief through local civil service systems and boards provided for in s. 14, Art. III of the State Constitution.

**History.**—s. 1, ch. 69-334; s. 2, ch. 84-125.

**112.043 Age discrimination.**—It shall be the public policy of the state that no officer or board, whether state or county, shall discriminate in the employment of any person solely on the basis of age. Persons who apply for employment with the state or any county of the state shall be selected on the basis of training, experience, mental and physical abilities, and other selection criteria established for the position. Unless age restrictions have been specifically established through published specifications for a position, available to the public, the employing authority shall give equal consideration to all applicants, regardless of age.

**History.**—s. 1, ch. 69-141.

**112.044 Public employers, employment agencies, labor organizations; discrimination based on age prohibited; exceptions; remedy.**—

(1) **LEGISLATIVE INTENT; PURPOSE.**—The Legislature finds and declares that in the face of rising productivity and affluence, older workers find themselves disadvantaged, both in their efforts to retain employment and in their efforts to regain employment when displaced from jobs. The setting of arbitrary age limits, irrespective of capability for job performance, has become a common practice, and certain otherwise desirable practices may work to the disadvantage of older persons. In comparison to the incidence of unemployment among younger workers, the incidence of unemployment, especially long-term unemployment with resultant deterioration of skill, morale, and employer acceptability, is high among older workers, whose numbers are great and growing and whose employment problems are grave. In industries affecting commerce, the existence of arbitrary discrimination in employment because of age burdens commerce and the free flow of goods. It is the purpose of this act to promote employment of older persons based on ability rather than age and to prohibit arbitrary age discrimination in employment.

(2) **DEFINITIONS.**—For the purpose of this act:

(a) “Employee” means an individual employed by any employer.

(b) “Employer” means the state or any county, municipality, or special district or any subdivision or agency thereof. This definition shall not apply to any law enforcement agency or firefighting agency in this state.

(c) “Employment agency” means any person, including any agent thereof, regularly undertaking, with or without compensation, to procure employees for an employer, including state and local employment services receiving federal assistance.

(3) **PROHIBITED ACTIVITIES; EXCEPTIONS.**—

(a) Except as provided in paragraph (f), it is unlawful for an employer to:

1. Fail or refuse to hire, discharge or mandatorily retire, or otherwise discriminate against any individual with respect to the compensation, terms, conditions, or privileges of employment because of age.

2. Limit, segregate, or classify employees in any way which would deprive, or tend to deprive, any individual of employment opportunities, or otherwise adversely affect an individual’s status as an employee, because of age.

3. Reduce the wage rate of any employee or otherwise alter the terms or conditions of employment in order to comply with this act, unless such a reduction is with the employee’s express or implied consent.

(b) Except as provided in paragraph (f), it is unlawful for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against, any individual because of age or to classify or refer for employment any individual on the basis of age.

(c) Except as provided in paragraph (f), it is unlawful for a labor organization to:

1. Exclude or expel from its membership, or otherwise discriminate against, any individual because of age.



2. Limit, segregate, or classify its membership, or fail or refuse to refer for employment any individual, in any way which would limit, deprive, or tend to deprive the individual of employment opportunities or which would otherwise adversely affect the individual's status as an employee or as an applicant for employment solely because of age.

3. Cause or attempt to cause an employer to discriminate against an individual in violation of this section.

(d) It is unlawful:

1. For an employer to discriminate against any employee or applicant for employment;

2. For an employment agency to discriminate against any individual; or

3. For a labor organization to discriminate against any member or applicant for membership, because such employee, applicant for employment, individual, member, or applicant for membership has opposed any practice made unlawful by this section or because the employee, applicant for employment, individual, member, or applicant for membership has made a charge, testified, assisted, or participated in any manner in an investigation, a proceeding, or litigation under this act.

(e) Except as provided in paragraph (f), it is unlawful for an employer, labor organization, or employment agency to print or publish, or cause to be printed or published, any notice or advertisement relating to:

1. Employment by such employer;

2. Membership in such labor organization or any classification or referral for employment by such labor organization; or

3. Any classification or referral for employment by such employment agency, which notice or advertisement indicates any preference, limitation, specification, or discrimination based on age.

(f) It is not unlawful for an employer, employment agency, or labor organization to:

1. Take any action otherwise prohibited under paragraph (a), paragraph (b), paragraph (c), or paragraph (e), based on a bona fide occupational qualification reasonably necessary to the normal operation of the particular business.

2. Observe the terms of a bona fide seniority system or any bona fide employee benefit plan, such as a retirement, pension, or insurance plan, which is not a subterfuge to evade the purposes of this act.

3. Discharge or otherwise discipline an individual for good cause.

(4) **APPEAL; CIVIL SUIT AUTHORIZED.**—Any employee of the state who is within the Career Service System established by chapter 110 and who is aggrieved by a violation of this act may appeal to the Public Employees Relations Commission under the conditions and following the procedures prescribed in part II of chapter 447. Any person other than an employee who is within the Career Service System established by chapter 110, or any person employed by the Public Employees Relations Commission, who is aggrieved by a violation of this act may bring a civil action in any court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this act.

(5) **NOTICE TO BE POSTED.**—Each employer, employment agency, and labor organization shall post and keep posted in conspicuous places upon its premises notices required by the United States Department of Labor and the Equal Employment Opportunity Commission.

**History.**—ss. 6, 7, 8, 10, 11, ch. 76-208; s. 1, ch. 77-174; s. 7, ch. 79-7; s. 31, ch. 79-190; s. 4, ch. 81-169; s. 75, ch. 86-163; s. 679, ch. 95-147; s. 5, ch. 2011-213; s. 30, ch. 2023-8.

**112.0441 Prohibition on public employee COVID-19 vaccination mandates.—**

(1) For purposes of this section, the term:

(a) “COVID-19” has the same meaning as in s. 381.00317(1).

(b) “Educational institution” means an institution under the control of a district school board; a charter school; a state university; a developmental research school; a Florida College System institution; the Florida School for the Deaf and the Blind; and the Florida Virtual School.

(c) “Governmental entity” has the same meaning as in s. 768.38.

(2)(a) Notwithstanding any other law to the contrary, an educational institution or a governmental entity may not impose a COVID-19 vaccination mandate for any full-time, part-time, or contract employee. Any existing ordinance, rule, or policy imposing such mandate is null and void as of November 18, 2021.

(b) An educational institution or a governmental entity that imposes a COVID-19 vaccination mandate for any full-time, part-time, or contract employee commits a violation of this section for each



employee subject to the employer's COVID-19 vaccination mandate. The Department of Health may impose a fine not to exceed \$5,000 per violation. Fines collected pursuant to this subsection must be deposited in the General Revenue Fund.

(3)(a) If an educational institution or a governmental entity fails to comply with subsection (2) and terminates an employee based on the employee's noncompliance with a COVID-19 vaccination mandate, the terminated employee may be eligible for reemployment assistance under chapter 443 in addition to any other remedy available to the employee.

(b) If an employee is terminated by an educational institution or a governmental entity for refusing to comply with any COVID-19 vaccination mandate:

1. Such refusal may not be deemed misconduct for the purpose of reemployment assistance under chapter 443.

2. Notwithstanding any provision of chapter 443, work is not deemed suitable and benefits may not be denied under s. 443.101 to the terminated employee for refusing to accept new work if the terminated employee is otherwise eligible and the position requires compliance with a COVID-19 vaccination mandate contrary to this section or s. 381.00317.

(4) Notwithstanding s. 120.74(4) and (5), the Department of Health and the Department of Economic Opportunity are authorized, and all conditions are deemed met, to adopt emergency rules pursuant to s. 120.54(4) to implement this section. Such rulemaking must occur initially by filing emergency rules within 15 days after November 18, 2021. Notwithstanding s. 120.54(4)(c), emergency rules adopted pursuant to this subsection remain in effect until replaced by rules adopted under regular rulemaking. The Department of Health and the Department of Economic Opportunity shall begin rulemaking under s. 120.54(2) and (3) immediately after filing the emergency rules.

(5) This section expires June 1, 2023.

**History.**—ss. 3, 6, ch. 2021-272.

#### **112.0455 Drug-Free Workplace Act.—**

(1) **SHORT TITLE.**—This section shall be known and may be cited as the “Drug-Free Workplace Act.”

(2) **PURPOSE.**—This section is intended to:

(a) Promote the goal of drug-free workplaces within government through fair and reasonable drug-testing methods for the protection of public employees and employers.

(b) Encourage employers to provide employees who have drug use problems with an opportunity to participate in an employee assistance program or an alcohol and drug rehabilitation program.

(c) Provide for confidentiality of testing results.

(3) **FINDINGS.**—The Legislature finds that:

(a) Drug use has serious adverse effects upon a significant portion of the workforce, resulting in billions of dollars of lost productivity each year and posing a threat to the workplace and to public safety and security.

(b) Maintaining a healthy and productive workforce, safe working conditions free from the effects of drugs, and quality products and services is important to employers, employees, and the general public in this state. The Legislature further finds that drug use creates a variety of workplace problems, including increased injury on the job, increased absenteeism, increased financial burden on health and benefit programs, increased workplace theft, decreased employee morale, decreased productivity, and a decline in the quality of products and services.

(c) Certain drug-testing standards are necessary to protect persons participating in workplace drug-testing programs.

(d) In balancing the interests of employers, employees, and the welfare of the general public, the establishment of standards to assure fair and accurate testing for drugs in the workplace is in the best interests of all.

(4) **NO LEGAL DUTY TO TEST.**—All drug testing conducted by employers shall be in conformity with the standards established in this section and all applicable rules promulgated pursuant to this section. However, employers shall not have a legal duty under this section to request an employee or job applicant to undergo drug testing. No testing of employees shall take effect until local drug abuse assistance programs have been identified.

(5) **DEFINITIONS.**—Except where the context otherwise requires, as used in this act:

(a) “Chain of custody” refers to the methodology of tracking specified materials or substances for the purpose of maintaining control and accountability from initial collection to final disposition for all

such materials or substances and providing for accountability at each stage in handling, testing, storing specimens, and reporting of test results.

(b) “Confirmation test,” “confirmed test,” or “confirmed drug test” means a second analytical procedure used to identify the presence of a specific drug or metabolite in a specimen. The confirmation test must be different in scientific principle from that of the initial test procedure. This confirmation method must be capable of providing requisite specificity, sensitivity, and quantitative accuracy.

(c) “Drug” means alcohol, including distilled spirits, wine, malt beverages, and intoxicating liquors; amphetamines; cannabinoids; cocaine; phencyclidine (PCP); hallucinogens; methaqualone; opiates; barbiturates; benzodiazepines; synthetic narcotics; designer drugs; or a metabolite of any of the substances listed herein.

(d) “Drug test” or “test” means any chemical, biological, or physical instrumental analysis administered for the purpose of determining the presence or absence of a drug or its metabolites.

(e) “Employee” means a person who works for salary, wages, or other remuneration for an employer.

(f) “Employee assistance program” means an established program for employee assessment, counseling, and possible referral to an alcohol and drug rehabilitation program.

(g) “Employer” means an agency within state government that employs individuals for salary, wages, or other remuneration.

(h) “Initial drug test” means a sensitive, rapid, and reliable procedure to identify negative and presumptive positive specimens. All initial tests must use an immunoassay procedure or an equivalent, or must use a more accurate scientifically accepted method approved by the Agency for Health Care Administration as more accurate technology becomes available in a cost-effective form.

(i) “Job applicant” means a person who has applied for a position with an employer and has been offered employment conditioned upon successfully passing a drug test.

(j) “Prescription or nonprescription medication” means a drug or medication obtained pursuant to a prescription as defined by s. 893.02 or a medication that is authorized pursuant to federal or state law for general distribution and use without a prescription in the treatment of human diseases, ailments, or injuries.

(k) “Random testing” means a drug test conducted on employees who are selected through the use of a computer-generated random sample of an employer’s employees.

(l) “Reasonable suspicion drug testing” means drug testing based on a belief that an employee is using or has used drugs in violation of the employer’s policy drawn from specific objective and articulable facts and reasonable inferences drawn from those facts in light of experience. Reasonable suspicion drug testing may not be required except upon the recommendation of a supervisor who is at least one level of supervision higher than the immediate supervisor of the employee in question. Among other things, such facts and inferences may be based upon:

1. Observable phenomena while at work, such as direct observation of drug use or of the physical symptoms or manifestations of being under the influence of a drug.

2. Abnormal conduct or erratic behavior while at work or a significant deterioration in work performance.

3. A report of drug use, provided by a reliable and credible source, which has been independently corroborated.

4. Evidence that an individual has tampered with a drug test during employment with the current employer.

5. Information that an employee has caused, or contributed to, an accident while at work.

6. Evidence that an employee has used, possessed, sold, solicited, or transferred drugs while working or while on the employer’s premises or while operating the employer’s vehicle, machinery, or equipment.

(m) “Special risk” means employees who are required as a condition of employment to be certified under chapter 633 or chapter 943.

(n) “Specimen” means a tissue, hair, or product of the human body capable of revealing the presence of drugs or their metabolites.

(6) NOTICE TO EMPLOYEES.—

(a) Employers with no drug-testing program shall ensure that at least 60 days elapse between a general one-time notice to all employees that a drug-testing program is being implemented and the beginning of actual drug testing. Employers with drug-testing programs in place prior to the effective date of this section are not required to provide a 60-day notice period.

(b) Prior to testing, all employees and job applicants for employment shall be given a written policy statement from the employer which contains:

1. A general statement of the employer's policy on employee drug use, which shall identify:
  - a. The types of testing an employee or job applicant may be required to submit to, including reasonable suspicion or other basis; and
  - b. The actions the employer may take against an employee or job applicant on the basis of a positive confirmed drug test result.
2. A statement advising the employee or job applicant of the existence of this section.
3. A general statement concerning confidentiality.
4. Procedures for employees and job applicants to confidentially report the use of prescription or nonprescription medications both before and after being tested. Additionally, employees and job applicants shall receive notice of the most common medications by brand name or common name, as applicable, as well as by chemical name, which may alter or affect a drug test. A list of such medications shall be developed by the Agency for Health Care Administration.
5. The consequences of refusing to submit to a drug test.
6. Names, addresses, and telephone numbers of employee assistance programs and local alcohol and drug rehabilitation programs.
7. A statement that an employee or job applicant who receives a positive confirmed drug test result may contest or explain the result to the employer within 5 working days after written notification of the positive test result. If an employee or job applicant's explanation or challenge is unsatisfactory to the employer, the person may contest the drug test result as provided by subsections (14) and (15).
8. A statement informing the employee or job applicant of his or her responsibility to notify the laboratory of any administrative or civil actions brought pursuant to this section.
9. A list of all drugs for which the employer will test, described by brand names or common names, as applicable, as well as by chemical names.
10. A statement regarding any applicable collective bargaining agreement or contract and the right to appeal to the Public Employees Relations Commission.
11. A statement notifying employees and job applicants of their right to consult the testing laboratory for technical information regarding prescription and nonprescription medication.

(c) An employer shall include notice of drug testing on vacancy announcements for those positions where drug testing is required. A notice of the employer's drug-testing policy shall also be posted in an appropriate and conspicuous location on the employer's premises, and copies of the policy shall be made available for inspection by the general public during regular business hours in the employer's personnel office or other suitable locations.

(7) **TYPES OF TESTING.**—Drug testing must be conducted within each agency's appropriation. An employer may conduct, but is not required to conduct, the following types of drug tests:

(a) *Job applicant testing.*—An employer may require job applicants to submit to a drug test and may use a refusal to submit to a drug test or a positive confirmed drug test as a basis for refusal to hire the job applicant.

(b) *Reasonable suspicion.*—An employer may require an employee to submit to reasonable suspicion drug testing.

(c) *Random testing.*—An employer may conduct random testing once every 3 months. The random sample of employees chosen for testing must be computer-generated by an independent third party. A random sample may not constitute more than 10 percent of the total employee population.

(d) *Routine fitness for duty.*—An employer may require an employee to submit to a drug test if the test is conducted as part of a routinely scheduled employee fitness-for-duty medical examination that is part of the employer's established policy or that is scheduled routinely for all members of an employment classification or group.

(e) *Followup testing.*—If the employee in the course of employment enters an employee assistance program for drug-related problems, or an alcohol and drug rehabilitation program, the employer may

require the employee to submit to a drug test as a followup to such program, and on a quarterly, semiannual, or annual basis for up to 2 years thereafter.

(8) **PROCEDURES AND EMPLOYEE PROTECTION.**—All specimen collection and testing for drugs under this section shall be performed in accordance with the following procedures:

(a) A sample shall be collected with due regard to the privacy of the individual providing the sample, and in a manner reasonably calculated to prevent substitution or contamination of the sample.

(b) Specimen collection shall be documented, and the documentation procedures shall include:

1. Labeling of specimen containers so as to reasonably preclude the likelihood of erroneous identification of test results.

2. A form for the employee or job applicant to provide any information he or she considers relevant to the test, including identification of currently or recently used prescription or nonprescription medication, or other relevant medical information. Such form shall provide notice of the most common medications by brand name or common name, as applicable, as well as by chemical name, which may alter or affect a drug test. The providing of information does not preclude the administration of the drug test, but shall be taken into account in interpreting any positive confirmed results.

(c) Specimen collection, storage, and transportation to the testing site shall be performed in a manner that will reasonably preclude specimen contamination or adulteration.

(d) Each initial and confirmation test conducted under this section, not including the taking or collecting of a specimen to be tested, shall be conducted by a licensed laboratory as described in subsection (12).

(e) A specimen for a drug test may be taken or collected by any of the following persons:

1. A physician, a physician assistant, a registered professional nurse, a licensed practical nurse, a nurse practitioner, or a certified paramedic who is present at the scene of an accident for the purpose of rendering emergency medical service or treatment.

2. A qualified person employed by a licensed laboratory.

(f) A person who collects or takes a specimen for a drug test conducted pursuant to this section shall collect an amount sufficient for two drug tests as determined by the Agency for Health Care Administration.

(g) Any drug test conducted or requested by an employer may occur before, during, or immediately after the regular work period of the employee, and shall be deemed to be performed during work time for the purposes of determining compensation and benefits for the employee.

(h) Every specimen that produces a positive confirmed result shall be preserved by the licensed laboratory that conducts the confirmation test for a period of at least 210 days from the time the results of the positive confirmation test are mailed or otherwise delivered to the employer. However, if an employee or job applicant undertakes an administrative or legal challenge to the test result, the employee or job applicant shall notify the laboratory and the sample shall be retained by the laboratory until the case or administrative appeal is settled. During the 180-day period after written notification of a positive test result, the employee or job applicant who has provided the specimen shall be permitted by the employer to have a portion of the specimen retested, at the employee or job applicant's expense, at another laboratory, licensed and approved by the Agency for Health Care Administration, chosen by the employee or job applicant. The second laboratory must test at equal or greater sensitivity for the drug in question as the first laboratory. The first laboratory that performed the test for the employer is responsible for the transfer of the portion of the specimen to be retested, and for the integrity of the chain of custody during such transfer.

(i) Within 5 working days after receipt of a positive confirmed test result from the testing laboratory, an employer shall inform an employee or job applicant in writing of such positive test result, the consequences of such results, and the options available to the employee or job applicant.

(j) The employer shall provide to the employee or job applicant, upon request, a copy of the test results.

(k) Within 5 working days after receiving notice of a positive confirmed test result, the employee or job applicant may submit information to an employer explaining or contesting the test results, and why the results do not constitute a violation of the employer's policy.

(l) If an employee or job applicant's explanation or challenge of the positive test results is unsatisfactory to the employer, a written explanation as to why the employee or job applicant's

explanation is unsatisfactory, along with the report of positive results, shall be provided by the employer to the employee or job applicant. All such documentation shall be kept confidential and exempt from the provisions of s. 119.07(1) by the employer pursuant to subsection (11) and shall be retained by the employer for at least 1 year.

(m) An employer may not discharge, discipline, refuse to hire, discriminate against, or request or require rehabilitation of an employee or job applicant on the sole basis of a positive test result that has not been verified by a confirmation test.

(n) Upon successful completion of an employee assistance program or an alcohol and drug rehabilitation program, the employee shall be reinstated to the same or equivalent position that was held prior to such rehabilitation.

(o) An employer may not discharge, discipline, or discriminate against an employee, or refuse to hire a job applicant, on the basis of any prior medical history revealed to the employer pursuant to this section.

(p) An employer who performs drug testing or specimen collection shall use chain-of-custody procedures as established by the Agency for Health Care Administration to ensure proper recordkeeping, handling, labeling, and identification of all specimens to be tested.

(q) An employer shall pay the cost of all drug tests, initial and confirmation, which the employer requires of employees.

(r) An employee or job applicant shall pay the costs of any additional drug tests not required by the employer.

(s) An employer may not discharge, discipline, or discriminate against an employee solely upon voluntarily seeking treatment, while under the employ of the employer, for a drug-related problem if the employee has not previously tested positive for drug use, entered an employee assistance program for drug-related problems, or entered an alcohol and drug rehabilitation program. However, special risk employees may be subject to discharge or disciplinary action when the presence of illicit drugs, pursuant to s. 893.13, is confirmed.

(t) If testing is conducted based on reasonable suspicion, each employer shall promptly detail in writing the circumstances which formed the basis of the determination that reasonable suspicion existed to warrant the testing. A copy of this documentation shall be given to the employee upon request and the original documentation shall be kept confidential and exempt from the provisions of s. 119.07(1) by the employer pursuant to subsection (11) and retained by the employer for at least 1 year.

(u) If an employee is unable to participate in outpatient rehabilitation, the employee may be placed on leave status while participating in an employee assistance program or an alcohol and drug rehabilitation program. If placed on leave-without-pay status, the employee shall be permitted to use any accumulated leave credits prior to being placed on leave without pay. Upon successful completion of an employee assistance program or an alcohol and drug rehabilitation program, the employee shall be reinstated to the same or equivalent position that was held prior to such rehabilitation.

(9) CONFIRMATION TESTING.—

(a) If an initial drug test is negative, the employer may in its sole discretion and at the employer's expense seek a confirmation test.

(b) Only licensed laboratories as described in subsection (12) shall conduct confirmation drug tests.

(c) All positive initial tests shall be confirmed using gas chromatography/mass spectrometry (GC/MS) or an equivalent or more accurate scientifically accepted method approved by the Agency for Health Care Administration as such technology becomes available in a cost-effective form.

(10) EMPLOYER PROTECTION.—

(a) No employee or job applicant whose drug test result is confirmed as positive in accordance with the provisions of this section shall, by virtue of the result alone, be defined as a person with a "handicap" as cited in the 1973 Rehabilitation Act.

(b) An employer who discharges or disciplines an employee or refuses to hire a job applicant in compliance with this section shall be considered to have discharged, disciplined, or refused to hire for cause.

(c) No physician-patient relationship is created between an employee or job applicant and an employer or any person performing or evaluating a drug test, solely by the establishment, implementation, or administration of a drug-testing program.



(d) Nothing in this section shall be construed to prevent an employer from establishing reasonable work rules related to employee possession, use, sale, or solicitation of drugs, including convictions for drug-related offenses, and taking action based upon a violation of any of those rules.

(e) Nothing in this section shall be construed to operate retroactively.

(f) If an employee or job applicant refuses to submit to a drug test, the employer shall not be barred from discharging or disciplining the employee, or from refusing to hire the job applicant. However, nothing in this paragraph shall abrogate the rights and remedies of the employee or job applicant as otherwise provided in this section.

(g) An employer who refuses to hire a job applicant based on a positive confirmed drug test result shall not be required to hold the employment position vacant while the job applicant pursues administrative action. However, should the job applicant prevail in the actions, the employer shall provide him or her the opportunity of employment in the next available comparable position.

(h) An employer may discharge or discipline an employee following a first-time positive confirmed drug test result. If the employer does not discharge the employee, the employer may refer the employee to an employee assistance program or an alcohol and drug rehabilitation program in which the employee may participate at the expense of the employee or pursuant to a health insurance plan.

1. If an employer refers an employee to an employee assistance program or an alcohol and drug rehabilitation program, the employer must determine whether the employee is able to safely and effectively perform the job duties assigned to the employee while the employee participates in the employee assistance program or the alcohol and drug rehabilitation program.

2. An employee whose assigned duties require the employee to carry a firearm, work closely with an employee who carries a firearm, perform life-threatening procedures, work with heavy or dangerous machinery, work as a safety inspector, work with children, work with detainees in the correctional system, work with confidential information or documents pertaining to criminal investigations, work with controlled substances, hold a position subject to s. 110.1127, or hold a position in which a momentary lapse in attention could result in injury or death to another person, is deemed unable to safely and effectively perform the job duties assigned to the employee while the employee participates in the employee assistance program or the alcohol and drug rehabilitation program.

3. If an employer refers an employee to an employee assistance program or an alcohol and drug rehabilitation program and the employer determines that the employee is unable, or the employee is deemed unable, to safely and effectively perform the job duties assigned to the employee before he or she completes the employee assistance program or the alcohol and drug rehabilitation program, the employer shall place the employee in a job assignment that the employer determines the employee can safely and effectively perform while participating in the employee assistance program or the alcohol and drug rehabilitation program.

4. If a job assignment in which the employee may safely and effectively perform is unavailable, the employer shall place the employee on leave status while the employee is participating in an employee assistance program or an alcohol and drug rehabilitation program. If placed on leave status without pay, the employee may use accumulated leave credits before being placed on leave without pay.

(i) This section does not prohibit an employer from conducting medical screening or other tests required by any statute, rule, or regulation for the purpose of monitoring exposure of employees to toxic or other unhealthy substances in the workplace or in the performance of job responsibilities. Such screening or tests shall be limited to the specific substances expressly identified in the applicable statute, rule, or regulation, unless prior written consent of the employee is obtained for other tests.

(11) CONFIDENTIALITY.—

(a) Except as otherwise provided in this subsection, all information, interviews, reports, statements, memoranda, and drug test results, written or otherwise, received or produced as a result of a drug-testing program are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution, and may not be used or received in evidence, obtained in discovery, or disclosed in any public or private proceedings, except in accordance with this section.

(b) Employers, laboratories, employee assistance programs, drug and alcohol rehabilitation programs, and their agents may not release any information concerning drug test results obtained pursuant to this section without a written consent form signed voluntarily by the person tested, except where such release is compelled by a hearing officer or a court of competent jurisdiction pursuant to

an appeal taken under this section, or where deemed appropriate by a professional or occupational licensing board in a related disciplinary proceeding. The consent form must contain, at a minimum:

1. The name of the person who is authorized to obtain the information.
2. The purpose of the disclosure.
3. The precise information to be disclosed.
4. The duration of the consent.
5. The signature of the person authorizing release of the information.

(c) Information on drug test results shall not be released or used in any criminal proceeding against the employee or job applicant. Information released contrary to this section shall be inadmissible as evidence in any such criminal proceeding.

(d) Nothing herein shall be construed to prohibit certifying bodies of special risk employees from receiving information on positive confirmed drug test results for the purpose of reviewing certification.

(e) Nothing herein shall be construed to prohibit the employer, agent of the employer, or laboratory conducting a drug test from having access to employee drug test information when consulting with legal counsel in connection with actions brought under or related to this section or where the information is relevant to its defense in a civil or administrative matter.

(12) DRUG-TESTING STANDARDS; LABORATORIES.—

(a) The requirements of part II of chapter 408 apply to the provision of services that require licensure pursuant to this section and part II of chapter 408 and to entities licensed by or applying for such licensure from the Agency for Health Care Administration pursuant to this section. A license issued by the agency is required in order to operate a laboratory.

(b) A laboratory may analyze initial or confirmation drug specimens only if:

1. The laboratory is licensed and approved by the Agency for Health Care Administration using criteria established by the United States Department of Health and Human Services as general guidelines for modeling the state drug testing program and in accordance with part II of chapter 408. Each applicant for licensure and licensee must comply with all requirements of part II of chapter 408.
2. The laboratory has written procedures to ensure chain of custody.
3. The laboratory follows proper quality control procedures, including, but not limited to:
  - a. The use of internal quality controls including the use of samples of known concentrations which are used to check the performance and calibration of testing equipment, and periodic use of blind samples for overall accuracy.
  - b. An internal review and certification process for drug test results, conducted by a person qualified to perform that function in the testing laboratory.
  - c. Security measures implemented by the testing laboratory to preclude adulteration of specimens and drug test results.
  - d. Other necessary and proper actions taken to ensure reliable and accurate drug test results.

(c) A laboratory shall disclose to the employer a written test result report within 7 working days after receipt of the sample. All laboratory reports of a drug test result shall, at a minimum, state:

1. The name and address of the laboratory which performed the test and the positive identification of the person tested.
2. Positive results on confirmation tests only, or negative results, as applicable.
3. A list of the drugs for which the drug analyses were conducted.
4. The type of tests conducted for both initial and confirmation tests and the minimum cutoff levels of the tests.

5. Any correlation between medication reported by the employee or job applicant pursuant to subparagraph (8)(b)2. and a positive confirmed drug test result.

No report shall disclose the presence or absence of any drug other than a specific drug and its metabolites listed pursuant to this section.

(d) The laboratory shall submit to the Agency for Health Care Administration a monthly report with statistical information regarding the testing of employees and job applicants. The reports shall include information on the methods of analyses conducted, the drugs tested for, the number of positive and negative results for both initial and confirmation tests, and any other information deemed appropriate by the Agency for Health Care Administration. No monthly report shall identify specific employees or job applicants.

(e) Laboratories shall provide technical assistance to the employer, employee, or job applicant for the purpose of interpreting any positive confirmed test results which could have been caused by prescription or nonprescription medication taken by the employee or job applicant.

(13) RULES.—

(a) The Agency for Health Care Administration may adopt additional rules to support this law and part II of chapter 408, using criteria established by the United States Department of Health and Human Services as general guidelines for modeling drug-free workplace laboratories, concerning, but not limited to:

1. Standards for drug-testing laboratory licensing and denial, suspension, and revocation of a license.

2. Urine, hair, blood, and other body specimens and minimum specimen amounts which are appropriate for drug testing, not inconsistent with other provisions established by law.

3. Methods of analysis and procedures to ensure reliable drug-testing results, including standards for initial tests and confirmation tests, not inconsistent with other provisions established by law.

4. Minimum cutoff detection levels for drugs or their metabolites for the purposes of determining a positive test result, not inconsistent with other provisions established by law.

5. Chain-of-custody procedures to ensure proper identification, labeling, and handling of specimens being tested, not inconsistent with other provisions established by law.

6. Retention, storage, and transportation procedures to ensure reliable results on confirmation tests and retests.

7. A list of the most common medications by brand name or common name, as applicable, as well as by chemical name, which may alter or affect a drug test.

(b) The following standards and procedures are established related to hair testing:

1. Hair cutoff levels for initial drug-screening tests.—The following initial cutoff levels must be used when screening hair specimens to determine whether they are negative for these drugs or their metabolites:

a. Marijuana: 10 pg/10 mg of hair;

b. Cocaine: 5 ng/10 mg of hair; and

c. Opiate/synthetic narcotics and metabolites: 5 ng/10 mg of hair. For the purpose of this section, opiate and metabolites include the following:

(I) Codeine;

(II) Heroin, monoacetylmorphine (heroin metabolites);

(III) Morphine;

d. Phencyclidine: 3 ng/10 mg of hair; and

e. Amphetamines: 5 ng/10 mg of hair. For the purpose of this section, amphetamines include the following:

(I) Amphetamines;

(II) Methamphetamine;

2. Hair cutoff levels for drug confirmation testing.—

a. All specimens identified as positive on the initial test must be confirmed using gas chromatography/mass spectrometry (GC/MS), mass spectrometry/mass spectrometry (MS/MS) at the following cutoff levels for these drugs on their metabolites. All confirmations must be by quantitative analysis.

(I) Marijuana metabolites: 1 pg/10 mg of hair (Delta-9-tetrahydrocannabinol-0-carboxylic acid).

(II) Cocaine: must be at or above 5 ng/10 mg of hair. Cocaine metabolites if present will be recorded at the following minimum levels:

(A) Benzoylcegonine at 1 ng/10 mg of hair; and

(B) Cocaethylene at 1 ng/10 mg of hair.

(III) Opiate/synthetic narcotics and metabolites: 5 ng/10 mg of hair; opiate and metabolites include the following:

(A) Codeine;

(B) 6-Monoacetylmorphine (heroin metabolite); and

(C) Morphine.

(IV) Phencyclidine: 3 ng/10 mg of hair.



(V) Amphetamines: 5 ng/10 mg of hair. For the purpose of this section, amphetamines include the following:

- (A) Amphetamines; and
- (B) Methamphetamines.

b. All hair specimens undergoing confirmation must be decontaminated using a wash procedure which has been published in the peer-reviewed literature which, as a minimum, has an initial 15-minute organic solvent wash followed by multiple (minimum of three) 30-minute aqueous washes.

c. After hair is washed, the drug entrapped in the hair is released either by digestion (chemical or enzymatic) or by multiple solvent extractions. The resulting digest or pooled solvent extracts are then screened and confirmed by approved methods.

d. All confirmation analysis methods must eliminate the melanin fraction of the hair before analysis. If a nondigestion method is used, the laboratory must present published data in the peer-reviewed literature from a large population study which indicates that the method of extraction does not possess a statistically significant hair-color bias.

e. Additional hair samples may be collected to reconfirm the initial report. The recollected sample shall be retested as specified; however, the confirmation analysis must be performed even if the screening test is negative. A second positive report must be made if the drug concentration in the digest by confirmation methods exceeds the limit of quantitation of the testing laboratory's method. A second test must be offered to anyone disputing a positive hair test result.

3. Hair specimen collection procedures.—

a. Designation of collection site.—Each drug-testing program shall have one or more designated collection sites which have all necessary personnel, materials, equipment, facilities, and supervision to provide for the collection, security, temporary storage, and shipping or transportation of hair specimens to a licensed drug-testing facility.

b. Security.—While security is important with any collection, in the case of hair, only the temporary storage area in the designated collection site needs to be secure.

c. Chain of custody.—Chain-of-custody standardized forms shall be properly executed by authorized collection site personnel upon receipt of specimens. Handling and transportation of hair specimens from one authorized individual or place to another shall always be accomplished through chain-of-custody procedures. Every effort shall be made to minimize the number of persons handling specimens.

d. Access to authorized personnel only.—The hair collection site need be off limits to unauthorized personnel only during the actual collection of specimens.

e. Privacy.—Procedures for collecting hair should be performed on one individual at a time to prevent substitutions or interference with the collection of reliable samples. Procedures must ensure that the hair collection does not infringe on the individual's privacy.

f. Integrity and identity of specimen.—Precautions must be taken to ensure that the root end of a hair specimen is indicated for the laboratory which performs the testing. The maximum length of hair that shall be tested is 3.9 cm distal from the head, which on average represents a 3-month time window. The following minimum precautions must be taken when collecting a hair specimen to ensure that specimens are obtained and correctly identified:

(I) When an individual arrives at the collection site, the collection site personnel shall request the individual to present photo identification. If the individual does not have proper photo identification, the collection site personnel shall contact the supervisor of the individual, the coordinator of the drug testing program, or any other employer official who can positively identify the individual. If the individual's identity cannot be established, the collection site personnel shall not proceed with the collection.

(II) If the individual fails to arrive at the assigned time, the collection site personnel shall contact the appropriate authority to obtain guidance on the action to be taken.

(III) The collection site personnel shall note any unusual behavior or appearance on the chain-of-custody form.

(IV) Hair shall be cut as close to the scalp or body, excluding the pubic area, as possible. Upon taking the specimen from the individual, the collection site personnel shall determine that it contains approximately 1/2-inch of hair when fanned out on a ruler (about 40 mg of hair).

(V) Both the individual being tested and the collection site personnel shall keep the specimen in view at all times prior to the specimen container being sealed with a tamper-resistant seal and labeled with the individual's specimen number and other required information.

(VI) The collection site personnel shall label the container which contains the hair with the date, the individual's specimen number, and any other identifying information provided or required by the drug-testing program.

(VII) The individual shall initial the container for the purpose of certifying that it is the specimen collected from the individual.

(VIII) The collection site personnel shall indicate on the chain-of-custody form all information identifying the specimen. The collection site personnel shall sign the chain-of-custody form next to the identifying information or the chain of custody on the specimen container.

(IX) The individual must be asked to read and sign a statement certifying that the specimen identified as having been collected from the individual is in fact that specimen the individual provided.

(X) The collection site personnel shall complete the chain-of-custody form.

g. Collection control.—To the maximum extent possible, collection site personnel shall keep the individual's specimen container within sight both before and after collection. After the specimen is collected, it must be properly sealed and labeled. An approved chain-of-custody form must be used for maintaining control and accountability of each specimen from the point of collection to final disposition of the specimen. The date and purpose must be documented on an approved chain-of-custody form each time a specimen is handled or transferred, and every individual in the chain must be identified. Every effort must be made to minimize the number of persons handling specimens.

h. Transportation to the testing facility.—Collection site personnel shall arrange to transport the collected specimens to the drug-testing facility. The specimens shall be placed in containers which shall be securely sealed to eliminate the possibility of undetected tampering. The collection site personnel shall ensure that the chain-of-custody documentation is sealed separately from the specimen and placed inside the container sealed for transfer to the drug-testing facility.

4. Quality assurance and quality control.—

a. Quality assurance.—Testing facilities shall have a quality assurance program which encompasses all aspects of the testing process, including, but not limited to, specimen acquisition, chain of custody, security and reporting of results, initial and confirmatory testing, and validation of analytical procedures. Quality assurance procedures shall be designed, implemented, and reviewed to monitor the conduct of each step of the process of testing for drugs.

b. Quality control.—

(I) Each analytical run of specimens to be screened shall include:

(A) Hair specimens certified to contain no drug;

(B) Hair specimens fortified with known standards; and

(C) Positive controls with the drug or metabolite at or near the threshold (cutoff).

(II) In addition, with each batch of samples, a sufficient number of standards shall be included to ensure and document the linearity of the assay method over time in the concentration area of the cutoff. After acceptable values are obtained for the known standards, those values must be used to calculate sample data. Implementation of procedures to ensure that carryover does not contaminate the testing of an individual's specimen must be documented. A minimum of 5 percent of all test samples must be quality control specimens. The testing facility's quality control samples, prepared from fortified hair samples of determined concentration, must be included in the run and must appear as normal samples to drug-screen testing facility analysis. One percent of each run, with a minimum of at least one sample, must be the testing facility's own quality control samples.

5.a. Proficiency testing.—

(I) Each hair drug-testing facility shall enroll and demonstrate satisfactory performance in a proficiency-testing program established by an independent group.

(II) The drug-testing facility shall maintain records which document the handling, processing, and examination of all proficiency-testing samples for a minimum of 2 years from the date of testing.

(III) The drug-testing facility shall ensure that proficiency-testing samples are analyzed at least three times each year using the same techniques as those employed for unknown specimens.

(IV) The proficiency-testing samples must be included with the routine sample run and tested with the same frequency as unknown samples by the individuals responsible for testing unknown specimens.

(V) The drug-testing facility may not engage in discussions or communications concerning proficiency-testing results with other drug-testing facilities, nor may they send proficiency-testing samples or portions of the samples to another drug-testing facility for analysis.

b. Satisfactory performance.—

(I) The drug-testing facility shall maintain an overall testing-event score equivalent to passing proficiency scores for other drug-testing matrices.

(II) Failure to participate in a proficiency-testing event shall result in a score of 0 percent for that testing event.

c. Unsuccessful performance.—Failure to achieve satisfactory performance in two consecutive testing events, or two out of three consecutive testing events, is determined to be unsuccessful performance.

(c) The Department of Management Services may adopt rules for all executive branch agencies implementing this section.

(d) The State Courts Administrator may adopt rules for the state courts system implementing this section.

(e) The Justice Administrative Commission may adopt rules on behalf of the state attorneys and public defenders of Florida, the capital collateral regional counsel, and the Judicial Qualifications Commission.

(f) The President of the Senate and the Speaker of the House of Representatives may adopt rules, policies, or procedures for the employees and members of the legislative branch implementing this section.

This section shall not be construed to eliminate the bargainable rights as provided in the collective bargaining process where applicable.

(14) DISCIPLINE REMEDIES.—

(a) An executive branch employee who is disciplined or who is a job applicant for another position and is not hired pursuant to this section, may file an appeal with the Public Employees Relations Commission. Any appeal must be filed within 30 calendar days of receipt by the employee or job applicant of notice of discipline or refusal to hire. The notice shall inform the employee or job applicant of the right to file an appeal, or if available, the right to file a collective bargaining grievance pursuant to s. 447.401. Such appeals shall be resolved pursuant to the procedures established in ss. 447.207(1)-(4), 447.208(2), and 447.503(4) and (5). A hearing on the appeal shall be conducted within 30 days of the filing of the appeal, unless an extension is requested by the employee or job applicant and granted by the commission or an arbitrator.

(b) The commission shall promulgate rules concerning the receipt, processing, and resolution of appeals filed pursuant to this section.

(c) Appeals to the commission shall be the exclusive administrative remedy for any employee who is disciplined or any job applicant who is not hired pursuant to this section, notwithstanding the provisions of chapter 120. However, nothing in this subsection shall affect the right of an employee or job applicant to file a collective bargaining grievance pursuant to s. 447.401 provided that an employee or job applicant may not file both an appeal and a grievance.

(d) An employee or a job applicant who has been disciplined or who has not been hired pursuant to this section must exhaust either the administrative appeal process or collective bargaining grievance-arbitration process.

(e) Upon resolving an appeal filed pursuant to paragraph (c), and finding a violation of this section, the commission may order the following relief:

1. Rescind the disciplinary action, expunge related records from the personnel file of the employee or job applicant and reinstate the employee.
2. Order compliance with paragraph (10)(g).
3. Award back pay and benefits.
4. Award the prevailing employee or job applicant the necessary costs of the appeal, reasonable attorney's fees, and expert witness fees.

(15) NONDISCIPLINE REMEDIES.—

(a) Any person alleging a violation of the provisions of this section, that is not remediable by the commission or an arbitrator pursuant to subsection (14), must institute a civil action for injunctive

relief or damages, or both, in a court of competent jurisdiction within 180 days of the alleged violation, or be barred from obtaining the following relief. Relief is limited to:

1. An order restraining the continued violation of this section.
2. An award of the costs of litigation, expert witness fees, reasonable attorney's fees, and noneconomic damages provided that damages shall be limited to the recovery of damages directly resulting from injury or loss caused by each violation of this section.

(b) Any employer who complies with the provisions of this section shall be without liability from all civil actions arising from any drug testing program or procedure performed in compliance with this section.

(c) Pursuant to any claim alleging a violation of this section, including a claim under this section where it is alleged that an employer's action with respect to a person was based on an incorrect test result, there shall be a rebuttable presumption that the test was valid if the employer complied with the provisions of this section.

(d) No cause of action shall arise in favor of any person based upon the failure of an employer to establish a program or policy for drug testing.

(16) **FEDERAL COMPLIANCE.**—The drug-testing procedures provided in this section do not apply where the specific work performed requires employees or job applicants to be subject to drug testing pursuant to:

(a) Federal regulations that specifically preempt state and local regulation of drug testing with respect to such employees and job applicants;

(b) Federal regulations or requirements enacted or implemented in connection with the operation of federally regulated facilities;

(c) Federal contracts where the drug testing is conducted for safety, or protection of sensitive or proprietary data or national security; or

(d) State agency rules that adopt federal regulations applicable to the interstate component of a federally regulated activity.

(17) **LICENSE FEE.**—Fees from licensure of drug-testing laboratories shall be sufficient to carry out the responsibilities of the Agency for Health Care Administration for the regulation of drug-testing laboratories. In accordance with s. 408.805, applicants and licensees shall pay a fee for each license application submitted under this part, part II of chapter 408, and applicable rules. The fee shall be not less than \$16,000 or more than \$20,000 per biennium and shall be established by rule.

**History.**—s. 1, ch. 89-173; s. 1, ch. 90-238; s. 25, ch. 90-360; s. 1, ch. 91-201; s. 6, ch. 91-279; s. 4, ch. 91-429; s. 40, ch. 92-279; s. 55, ch. 92-326; s. 7, ch. 93-129; s. 2, ch. 95-119; s. 680, ch. 95-147; s. 1, ch. 96-289; s. 32, ch. 96-406; s. 7, ch. 98-136; ss. 5, 71, ch. 98-171; s. 53, ch. 2000-349; s. 25, ch. 2001-53; s. 2, ch. 2001-67; s. 148, ch. 2001-277; s. 37, ch. 2004-267; s. 11, ch. 2006-1; s. 7, ch. 2007-217; s. 1, ch. 2007-230; s. 1, ch. 2012-8; s. 7, ch. 2016-10; s. 23, ch. 2016-145; s. 31, ch. 2023-8.

**112.046 Political party committee membership allowed.**—Notwithstanding any other provision of law, an officer or employee of the state or any political subdivision may also serve as a member of the state executive committee or county executive committee of a political party. No person shall be required to resign from public office or employment, nor shall any person be fired or removed from such public office or employment, because of membership on such a committee prior to June 25, 1980.

**History.**—s. 3, ch. 80-207; s. 681, ch. 95-147.

**112.048 Voluntary retirement with half pay authorized for elective officers of cities or towns; appropriation.**—

(1) The intent of the Legislature is to authorize and direct each city and town to provide a system of retirement for elected officials, but it is further the intent that each city or town may determine whether the system will be contributory or noncontributory.

(2)(a) From and after June 3, 1939, whenever any elective officer of any city or town of this state has held any elective office of such city or town for a period of 20 years or more consecutively, or for a period of 20 years or more consecutively, except for one period not exceeding 6 months, such elective officer may voluntarily resign or retire from such elective office with the right to be paid on the officer's own requisition by such city or town during the remainder of his or her natural life a sum equal to one-half of the full amount of the annual or monthly salary that such city or town was authorized by law to pay said elective officer at the time of resignation or retirement; and such city and town shall appropriate and provide in its annual budget sufficient moneys to meet the requirements of this section when no other plan is available for elected local officials. In cases in which

an elective officer during any term of office entered or enters and served or serves in the Armed Forces of the United States during any period during which the United States was or shall be engaged in war and thereafter was or shall be appointed or again elected to the same elective office prior to discharge from such service in the Armed Forces, such time of service in the Armed Forces shall not be construed to be a break in consecutive service and shall be counted in determining the years of consecutive service of such elective officer.

(b) The provisions of this subsection shall not operate to preclude any elected officer from retiring under, and receiving benefits pursuant to, the provisions of this section as it existed prior to October 1, 1973, if such officer had, prior to that date, completed the required 20 years of service or been elected to a term upon the expiration of which he or she completes the required 20 years of service. However, if on October 1, 1973, an elected officer had completed at least 10 of the required 20 years of service, the city or town may elect to provide an annual or monthly retirement salary as provided in this subsection.

(3) Each city or town may by ordinance establish a contributory retirement system for those officials defined in subsection (2). The rules for participation, the amount of the official's contributions, and the method of appropriation and payment may be determined by ordinance of the city or town.

**History.**—s. 1, ch. 19247, 1939; CGL 1940 Supp. 2998(1); s. 1, ch. 57-805; s. 1, ch. 65-455; s. 1, ch. 72-280; s. 4, ch. 73-129; s. 1, ch. 74-231; s. 1, ch. 84-351; s. 682, ch. 95-147.

**Note.**—Former ss. 165.25, 121.20.

#### **112.05 Retirement; cost-of-living adjustment; employment after retirement.—**

(1)(a) Whenever any state official or state employee has attained the age of 70 years or more and has served the state as either an official or employee, or both, for as much as 20 consecutive years or more or for an aggregate time of 30 years or more, or whenever any state official or employee, irrespective of age, has served the state as either an official or employee, or both, for 30 consecutive years or more, or for as much as an aggregate of 35 years or more, such official or employee may retire from office as such official or employee with the right to be paid, and shall be paid monthly on his or her own requisition during the remainder of his or her natural life one-half the amount of the average monthly salary received during the last 10 years of such service; and sufficient money to meet the requirements of this section is hereby appropriated out of any moneys in the State Treasury not otherwise appropriated. Provided, that military service in the Armed Forces of the United States shall be computed as a part of the time specified hereinabove as entitling a state official or employee to the benefits of this section. This section shall apply only to persons retired or persons who are on a state payroll June 30, 1953, and remain continuously on a state payroll until eligible to retire. This section shall not affect any state official or employee who has already retired under any retirement act, except that no Cabinet officer qualifying shall receive less than \$4,500 per year.

(b)1. Any state official or state employee who, as of January 1, 1976, has served the state as either an official or employee, or both, for 29 consecutive years, irrespective of age, and who has a terminal or critical illness, which illness is certified by two physicians licensed in this state as terminal or critical, shall be eligible for early retirement. The benefits accruing to any such person under this section shall be reduced by five-twelfths of 1 percent for each complete month by which such retirement precedes the 30 years of service required under paragraph (a).

2. Any state official or employee eligible to retire pursuant to the provisions of this paragraph may retire from office as such official or employee with the right to be paid, and shall be paid monthly on his or her own requisition, during the remainder of his or her natural life, one-half the amount of the average monthly salary received during the last 10 years of service, less the actuarial reduction provided for in subparagraph 1.

(c) Upon the death of a retired state officer or employee receiving monthly benefits under this section, the monthly benefits shall be paid through the last day of the month of death and shall terminate on that date.

(2) An annual cost-of-living adjustment shall be made to the monthly benefit payable to retirees who are retired under this section pursuant to the provisions of s. 121.101.

(3) Any person who is retired under this section may be employed by an employer who does not participate in a state-administered retirement system and may receive compensation from such employment without limiting or restricting in any way the retirement benefits payable to such person.



(4)(a) Any person who is retired under this section may be reemployed by any private or public employer after retirement and receive retirement benefits and compensation from his or her employer without limitation, except that no person may receive both a salary from reemployment with any agency participating in the Florida Retirement System and retirement benefits under this chapter for a period of 12 months immediately subsequent to the date of retirement.

(b) Any person to whom the limitation in paragraph (a) applies who violates such reemployment limitation and is reemployed with any agency participating in the Florida Retirement System prior to completion of the 12-month limitation period shall give timely notice of this fact in writing to the employer and to the division; and the person's retirement benefits shall be suspended for the balance of the 12-month limitation period. Any person employed in violation of this subsection and any employing agency which knowingly employs or appoints such person without notifying the Department of Management Services to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by such person while reemployed during this limitation period shall be repaid to the retirement trust fund, and the retirement benefits shall remain suspended until such repayment has been made. Any benefits suspended beyond the reemployment limitation period shall apply toward the repayment of benefits received in violation of the reemployment limitation.

(c) An employer, upon employment of any person who has been retired under a state-administered retirement program, shall pay retirement contributions in an amount equal to the unfunded actuarial accrued liability portion of the employer contribution which would be required for a regular member of the Florida Retirement System.

(d) The limitations of this subsection apply to reemployment in any capacity with an employer as defined in s. 121.021(10), irrespective of the category of funds from which the person is compensated.

**History.**—s. 1, ch. 12293, 1927; CGL 242; s. 1, ch. 17274, 1935; s. 1, ch. 20499, 1941; s. 1, ch. 22828, 1945; ss. 1, chs. 28147, 28148, 1953; s. 1, ch. 74-303; s. 1, ch. 76-212; s. 1, ch. 80-126; s. 2, ch. 80-130; s. 1, ch. 81-307; s. 31, ch. 83-217; s. 19, ch. 84-266; s. 1, ch. 90-274; s. 3, ch. 95-146; s. 683, ch. 95-147; s. 1, ch. 96-368; s. 12, ch. 99-255.

**Note.**—Former s. 121.001.

#### **112.0501 Ratification of certain dual retirements.—**

(1) Any state employee who was permitted by the Comptroller, as administrator of the retirement provisions of s. 112.05 and chapter 122, to retire under the provisions of both such statutes prior to April 23, 1969, when the Attorney General ruled that such dual retirements are prohibited by s. 122.10(3), as recodified by the Legislature in 1965, shall receive and enjoy the retirement benefits awarded upon retirement, the provisions of s. 122.10(3) to the contrary notwithstanding.

(2) The exceptions granted to state retirees coming under the provisions of subsection (1) shall not apply to any state employee retiring subsequent to November 1, 1970, and the administrator of the Florida Retirement System is hereby directed to establish such rules and procedures as may be necessary to prohibit such dual retirements for members of the Florida Retirement System or any retirement system consolidated therein pursuant to s. 121.011(2).

**History.**—s. 1, ch. 72-202; s. 684, ch. 95-147.

**112.0515 Retirement or pension rights unaffected by consolidation or merger of governmental agencies.**—It is hereby declared to be the policy of this state that in any consolidation or merger of governments or the transfer of functions between units of governments either at the state or local level or between state and local units, the rights of all public employees in any retirement or pension fund shall be fully protected. No consolidation or merger of governments or governmental services, either state or local, accomplished in this state shall diminish or impair the rights of any public employee in any retirement or pension fund or plan which existed at the date of such consolidation or merger and in which the employee was participating, nor shall such consolidation or merger result in any impairment or reduction in benefits or other pension rights accruing to such employee.

**History.**—s. 1, ch. 72-210.

#### **112.061 Per diem and travel expenses of public officers, employees, and authorized persons; statewide travel management system.—**

(1) **LEGISLATIVE INTENT.**—To prevent inequities, conflicts, inconsistencies, and lapses in the numerous laws regulating or attempting to regulate travel expenses of public officers, employees, and authorized persons in the state, it is the intent of the Legislature:

(a) To establish standard travel reimbursement rates, procedures, and limitations, with certain justifiable exceptions and exemptions, applicable to all public officers, employees, and authorized persons whose travel is authorized and paid by a public agency.

(b) To preserve the standardization established by this law:

1. The provisions of this section shall prevail over any conflicting provisions in a general law, present or future, to the extent of the conflict; but if any such general law contains a specific exemption from this section, including a specific reference to this section, such general law shall prevail, but only to the extent of the exemption.

2. The provisions of any special or local law, present or future, shall prevail over any conflicting provisions in this section, but only to the extent of the conflict.

(2) DEFINITIONS.—For the purposes of this section, the term:

(a) “Agency” or “public agency” means any office, department, agency, division, subdivision, political subdivision, board, bureau, commission, authority, district, public body, body politic, county, city, town, village, municipality, or any other separate unit of government created pursuant to law.

(b) “Agency head” or “head of the agency” means the highest policymaking authority of a public agency, as herein defined.

(c) “Authorized person” means:

1. A person other than a public officer or employee as defined herein, whether elected or commissioned or not, who is authorized by an agency head to incur travel expenses in the performance of official duties.

2. A person who is called upon by an agency to contribute time and services as consultant or adviser.

3. A person who is a candidate for an executive or professional position.

(d) “Class A travel” means continuous travel of 24 hours or more away from official headquarters.

(e) “Class B travel” means continuous travel of less than 24 hours which involves overnight absence from official headquarters.

(f) “Class C travel” means travel for short or day trips where the traveler is not away from his or her official headquarters overnight.

(g) “Common carrier” means train, bus, commercial airline operating scheduled flights, or rental cars of an established rental car firm.

(h) “Employee” or “public employee” means an individual, whether commissioned or not, other than an officer or authorized person as defined herein, who is filling a regular or full-time authorized position and is responsible to an agency head.

(i) “Foreign travel” means travel outside the United States.

(j) “Officer” or “public officer” means an individual who in the performance of his or her official duties is vested by law with sovereign powers of government and who is either elected by the people, or commissioned by the Governor and has jurisdiction extending throughout the state, or any person lawfully serving instead of either of the foregoing two classes of individuals as initial designee or successor.

(k) “Travel day” means a period of 24 hours consisting of four quarters of 6 hours each.

(l) “Travel expense,” “traveling expenses,” “necessary expenses while traveling,” “actual expenses while traveling,” or words of similar nature mean the usual ordinary and incidental expenditures necessarily incurred by a traveler.

(m) “Travel period” means a period of time between the time of departure and time of return.

(n) “Traveler” means a public officer, public employee, or authorized person, when performing authorized travel.

(3) AUTHORITY TO INCUR TRAVEL EXPENSES.—

(a) All travel must be authorized and approved by the head of the agency, or his or her designated representative, from whose funds the traveler is paid. The head of the agency shall not authorize or approve such a request unless it is accompanied by a signed statement by the traveler’s supervisor stating that such travel is on the official business of the state and also stating the purpose of such travel.

(b) Travel expenses of travelers shall be limited to those expenses necessarily incurred by them in the performance of a public purpose authorized by law to be performed by the agency and must be within the limitations prescribed by this section.

(c) Travel by public officers or employees serving temporarily in behalf of another agency or partly in behalf of more than one agency at the same time, or authorized persons who are called upon to contribute time and services as consultants or advisers, may be authorized by the agency head. Complete explanation and justification must be shown on the travel expense voucher or attached thereto.

(d) Travel expenses of public employees for the sole purpose of taking merit system or other job placement examinations, written or oral, shall not be allowed under any circumstances, except that upon prior written approval of the agency head or his or her designee, candidates for executive or professional positions may be allowed travel expenses pursuant to this section.

(e) Travel expenses of public officers or employees for the purpose of implementing, organizing, directing, coordinating, or administering, or supporting the implementation, organization, direction, coordination, or administration of, activities related to or involving travel to a terrorist state shall not be allowed under any circumstances. For purposes of this section, "terrorist state" is defined as any state, country, or nation designated by the United States Department of State as a state sponsor of terrorism.

(f) The agency head, or a designated representative, may pay by advancement or reimbursement, or a combination thereof, the costs of per diem of travelers for foreign travel at the current rates as specified in the federal publication "Standardized Regulations (Government Civilians, Foreign Areas)" and incidental expenses as provided in this section.

(g) A traveler who becomes sick or injured while away from his or her official headquarters and is therefore unable to perform the official business of the agency may continue to receive subsistence as provided in subsection (6) during this period of illness or injury until such time as he or she is able to perform the official business of the agency or returns to his or her official headquarters, whichever is earlier. Such subsistence may be paid when approved by the agency head or his or her designee.

(h) The State Surgeon General or a designee may authorize travel expenses incidental to the rendering of medical services for and on behalf of clients of the Department of Health. The Department of Health may establish rates lower than the rate provided in this section for these travel expenses.

(i) The head of a law enforcement agency may authorize travel expenses for an employee of the agency whose duties are those of a law enforcement officer, as defined in s. 943.10(1), to attend a funeral service within the state of a law enforcement officer who was killed in the line of duty.

(4) OFFICIAL HEADQUARTERS.—The official headquarters of an officer or employee assigned to an office shall be the city or town in which the office is located except that:

(a) The official headquarters of a person located in the field shall be the city or town nearest to the area where the majority of the person's work is performed, or such other city, town, or area as may be designated by the agency head provided that in all cases such designation must be in the best interests of the agency and not for the convenience of the person.

(b) When any state employee is stationed in any city or town for a period of over 30 continuous workdays, such city or town shall be deemed to be the employee's official headquarters, and he or she shall not be allowed per diem or subsistence, as provided in this section, after the said period of 30 continuous workdays has elapsed, unless this period of time is extended by the express approval of the agency head or his or her designee.

(c) A traveler may leave his or her assigned post to return home overnight, over a weekend, or during a holiday, but any time lost from regular duties shall be taken as annual leave and authorized in the usual manner. The traveler shall not be reimbursed for travel expenses in excess of the established rate for per diem allowable had he or she remained at his or her assigned post. However, when a traveler has been temporarily assigned away from his or her official headquarters for an approved period extending beyond 30 days, he or she shall be entitled to reimbursement for travel expenses at the established rate of one round trip for each 30-day period actually taken to his or her home in addition to pay and allowances otherwise provided.

<sup>1</sup>(d) A Lieutenant Governor who permanently resides outside of Leon County, may, if he or she so requests, have an appropriate facility in his or her county designated as his or her official headquarters for purposes of this section. This official headquarters may only serve as the Lieutenant Governor's personal office. The Lieutenant Governor may not use state funds to lease space in any facility for his or her official headquarters.



1. A Lieutenant Governor for whom an official headquarters is established in his or her county of residence pursuant to this paragraph is eligible for subsistence at a rate to be established by the Governor for each day or partial day that the Lieutenant Governor is at the State Capitol to conduct official state business. In addition to the subsistence allowance, a Lieutenant Governor is eligible for reimbursement for transportation expenses as provided in subsection (7) for travel between the Lieutenant Governor's official headquarters and the State Capitol to conduct state business.

2. Payment of subsistence and reimbursement for transportation between a Lieutenant Governor's official headquarters and the State Capitol shall be made to the extent appropriated funds are available, as determined by the Governor.

3. This paragraph expires July 1, 2024.

(5) COMPUTATION OF TRAVEL TIME FOR REIMBURSEMENT.—For purposes of reimbursement and methods of calculating fractional days of travel, the following principles are prescribed:

(a) The travel day for Class A travel shall be a calendar day (midnight to midnight). The travel day for Class B travel shall begin at the same time as the travel period. For Class A and Class B travel, the traveler shall be reimbursed one-fourth of the authorized rate of per diem for each quarter, or fraction thereof, of the travel day included within the travel period. Class A and Class B travel shall include any assignment on official business outside of regular office hours and away from regular places of employment when it is considered reasonable and necessary to stay overnight and for which travel expenses are approved.

(b) A traveler shall not be reimbursed on a per diem basis for Class C travel, but shall receive subsistence as provided in this section, which allowance for meals shall be based on the following schedule:

1. Breakfast—When travel begins before 6 a.m. and extends beyond 8 a.m.

2. Lunch—When travel begins before 12 noon and extends beyond 2 p.m.

3. Dinner—When travel begins before 6 p.m. and extends beyond 8 p.m., or when travel occurs during nighttime hours due to special assignment.

No allowance shall be made for meals when travel is confined to the city or town of the official headquarters or immediate vicinity; except assignments of official business outside the traveler's regular place of employment if travel expenses are approved. The Chief Financial Officer shall establish a schedule for processing Class C travel subsistence payments at least on a monthly basis.

(6) RATES OF PER DIEM AND SUBSISTENCE ALLOWANCE.—For purposes of reimbursement rates and methods of calculation, per diem and subsistence allowances are provided as follows:

(a) All travelers shall be allowed for subsistence when traveling to a convention or conference or when traveling within or outside the state in order to conduct bona fide state business, which convention, conference, or business serves a direct and lawful public purpose with relation to the public agency served by the person attending such meeting or conducting such business, either of the following for each day of such travel at the option of the traveler:

1. Eighty dollars per diem; or

2. If actual expenses exceed \$80, the amounts permitted in paragraph (b) for subsistence, plus actual expenses for lodging at a single-occupancy rate to be substantiated by paid bills therefor. When lodging or meals are provided at a state institution, the traveler shall be reimbursed only for the actual expenses of such lodging or meals, not to exceed the maximum provided for in this subsection.

(b) All travelers shall be allowed the following amounts for subsistence while on Class C travel on official business as provided in paragraph (5)(b):

1. Breakfast. . . . . \$6

2. Lunch. . . . . \$11

3. Dinner. . . . . \$19

(c) No one, whether traveling out of state or in state, shall be reimbursed for any meal or lodging included in a convention or conference registration fee paid by the state.

(7) TRANSPORTATION.—

(a) All travel must be by a usually traveled route. In case a person travels by an indirect route for his or her own convenience, any extra costs shall be borne by the traveler; and reimbursement for expenses shall be based only on such charges as would have been incurred by a usually traveled route. The agency head or his or her designee shall designate the most economical method of travel for each trip, keeping in mind the following conditions:

1. The nature of the business.
2. The most efficient and economical means of travel (considering time of the traveler, impact on the productivity of the traveler, cost of transportation, and per diem or subsistence required). When it is more efficient and economical to either the traveler or the agency head, jet service offered by any airline, whether on state contract or not, may be used when the cost is within an approved threshold determined by the agency head or his or her designee.
3. The number of persons making the trip and the amount of equipment or material to be transported.
  - (b) The Department of Financial Services may provide any form it deems necessary to cover travel requests for traveling on official business and when paid by the state.
  - (c) Transportation by common carrier when traveling on official business and paid for personally by the traveler, shall be substantiated by a receipt therefor. Federal tax shall not be reimbursable to the traveler unless the state and other public agencies are also required by federal law to pay such tax. In the event transportation other than the most economical class as approved by the agency head is provided by a common carrier on a flight check or credit card, the charges in excess of the most economical class shall be refunded by the traveler to the agency charged with the transportation provided in this manner.
  - (d)1. The use of privately owned vehicles for official travel in lieu of publicly owned vehicles or common carriers may be authorized by the agency head or his or her designee. Whenever travel is by privately owned vehicle:
    - a. A traveler shall be entitled to a mileage allowance at a rate of 44.5 cents per mile; or
    - b. A traveler shall be entitled to the common carrier fare for such travel if determined by the agency head to be more economical.
  2. Reimbursement for expenditures related to the operation, maintenance, and ownership of a vehicle shall not be allowed when privately owned vehicles are used on public business and reimbursement is made pursuant to this paragraph, except as provided in subsection (8).
  3. All mileage shall be shown from point of origin to point of destination and, when possible, shall be computed on the basis of the current map of the Department of Transportation. Vicinity mileage necessary for the conduct of official business is allowable but must be shown as a separate item on the expense voucher.
  - (e) Transportation by chartered vehicles when traveling on official business may be authorized by the agency head when necessary or where it is to the advantage of the agency, provided the cost of such transportation does not exceed the cost of transportation by privately owned vehicle pursuant to paragraph (d).
  - (f) The agency head or his or her designee may grant monthly allowances in fixed amounts for use of privately owned automobiles on official business in lieu of the mileage rate provided in paragraph (d). Allowances granted pursuant to this paragraph shall be reasonable, taking into account the customary use of the automobile, the roads customarily traveled, and whether any of the expenses incident to the operation, maintenance, and ownership of the automobile are paid from funds of the agency or other public funds. Such allowance may be changed at any time, and shall be made on the basis of a signed statement of the traveler, filed before the allowance is granted or changed, and at least annually thereafter. The statement shall show the places and distances for an average typical month's travel on official business, and the amount that would be allowed under the approved rate per mile for the travel shown in the statement, if payment had been made pursuant to paragraph (d).
  - (g) No contract may be entered into between a public officer or employee, or any other person, and a public agency, in which a depreciation allowance is used in computing the amount due by the agency to the individual for the use of a privately owned vehicle on official business; provided, any such existing contract shall not be impaired.
  - (h) No traveler shall be allowed either mileage or transportation expense when gratuitously transported by another person or when transported by another traveler who is entitled to mileage or transportation expense. However, a traveler on a private aircraft shall be reimbursed the actual amount charged and paid for the fare for such transportation up to the cost of a commercial airline ticket for the same flight, even though the owner or pilot of such aircraft is also entitled to transportation expense for the same flight under this subsection.

(8) OTHER EXPENSES.—

(a) The following incidental travel expenses of the traveler may be reimbursed:

1. Taxi fare.
2. Ferry fares; and bridge, road, and tunnel tolls.
3. Storage or parking fees.
4. Communication expense.

5. Convention registration fee while attending a convention or conference which will serve a direct public purpose with relation to the public agency served by the person attending such meetings. A traveler may be reimbursed the actual and necessary fees for attending events which are not included in a basic registration fee that directly enhance the public purpose of the participation of the agency in the conference. Such expenses may include, but not be limited to, banquets and other meal functions. It shall be the responsibility of the traveler to substantiate that the charges were proper and necessary. However, any meals or lodging included in the registration fee will be deducted in accordance with the allowances provided in subsection (6).

(b) Other expenses which are not specifically authorized by this section may be approved by the Department of Financial Services pursuant to rules adopted by it. Expenses approved pursuant to this paragraph shall be reported by the Department of Financial Services to the Auditor General annually.

(9) RULES.—

(a) The Department of Financial Services shall adopt such rules, including, but not limited to, the general criteria to be used by a state agency to predetermine justification for attendance by state officers and employees and authorized persons at conventions and conferences, and prescribe such forms as are necessary to effectuate the purposes of this section. The department may also adopt rules prescribing the proper disposition and use of promotional items and rebates offered by common carriers and other entities in connection with travel at public expense; however, before adopting such rules, the department shall consult with the appropriation committees of the Legislature.

(b) Each state agency shall adopt such additional specific rules and specific criteria to be used by it to predetermine justification for attendance by state officers and employees and authorized persons at conventions and conferences, not in conflict with the rules of the Department of Financial Services or with the general criteria to be used by a state agency to predetermine justification for attendance by state officers and employees and authorized persons at conventions, as may be necessary to effectuate the purposes of this section.

(c) The Department of Management Services may adopt rules to administer the provisions of this section which relate to the statewide travel management system.

(10) FRAUDULENT CLAIMS.—Claims submitted pursuant to this section shall not be required to be sworn to before a notary public or other officer authorized to administer oaths, but any claim authorized or required to be made under any provision of this section shall contain a statement that the expenses were actually incurred by the traveler as necessary travel expenses in the performance of official duties and shall be verified by a written declaration that it is true and correct as to every material matter; and any person who willfully makes and subscribes any such claim which he or she does not believe to be true and correct as to every material matter, or who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under the provisions of this section of a claim which is fraudulent or is false as to any material matter, whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such claim, is guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083. Whoever shall receive an allowance or reimbursement by means of a false claim shall be civilly liable in the amount of the overpayment for the reimbursement of the public fund from which the claim was paid.

(11) TRAVEL AUTHORIZATION AND VOUCHER FORMS.—

(a) *Authorization forms.*—The Department of Financial Services shall furnish a uniform travel authorization request form which shall be used by all state officers, employees, and authorized persons when requesting approval for the performance of travel to a convention or conference. The form shall include, but not be limited to, provision for the name of each traveler, purpose of travel, period of travel, estimated cost to the state, and a statement of benefits accruing to the state by virtue of such travel. A copy of the program or agenda of the convention or conference, itemizing registration fees and any meals or lodging included in the registration fee, shall be attached to, and filed with, the copy of the travel authorization request form on file with the agency. The form shall be signed by the traveler and by the traveler's supervisor stating that the travel is to be incurred in connection with

official business of the state. The head of the agency or his or her designated representative shall not authorize or approve such request in the absence of the appropriate signatures. A copy of the travel authorization form shall be attached to, and become a part of, the support of the agency's copy of the travel voucher.

(b) *Voucher forms.*—

1. The Department of Financial Services shall furnish a uniform travel voucher form which shall be used by all state officers, employees, and authorized persons when submitting travel expense statements for approval and payment. No travel expense statement shall be approved for payment by the Chief Financial Officer unless made on the form prescribed and furnished by the department. The travel voucher form shall provide for, among other things, the purpose of the official travel and a certification or affirmation, to be signed by the traveler, indicating the truth and correctness of the claim in every material matter, that the travel expenses were actually incurred by the traveler as necessary in the performance of official duties, that per diem claimed has been appropriately reduced for any meals or lodging included in the convention or conference registration fees claimed by the traveler, and that the voucher conforms in every respect with the requirements of this section. The original copy of the executed uniform travel authorization request form shall be attached to the uniform travel voucher on file with the respective agency.

2. Statements for travel expenses incidental to the rendering of medical services for and on behalf of clients of the Department of Health shall be on forms approved by the Department of Financial Services.

(12) **ADVANCEMENTS.**—Notwithstanding any of the foregoing restrictions and limitations, an agency head or his or her designee may make, or authorize the making of, advances to cover anticipated costs of travel to travelers. Such advancements may include the costs of subsistence and travel of any person transported in the care or custody of the traveler in the performance of his or her duties.

(13) **DIRECT PAYMENT OF EXPENSES BY AGENCY.**—Whenever an agency requires an employee to incur either Class A or Class B travel on emergency notice to the traveler, such traveler may request the agency to pay his or her expenses for meals and lodging directly to the vendor, and the agency may pay the vendor the actual expenses for meals and lodging during the travel period, limited to an amount not to exceed that authorized pursuant to this section. In emergency situations, the agency head or his or her designee may authorize an increase in the amount paid for a specific meal, provided that the total daily cost of meals does not exceed the total amount authorized for meals each day. The agency head or his or her designee may also grant prior approval for a state agency to make direct payments of travel expenses in other situations that result in cost savings to the state, and such cost savings shall be documented in the voucher submitted to the Chief Financial Officer for the direct payment of travel expenses. The provisions of this subsection shall not be deemed to apply to any legislator or to any employee of the Legislature.

(14) **APPLICABILITY TO COUNTIES, COUNTY OFFICERS, DISTRICT SCHOOL BOARDS, SPECIAL DISTRICTS, AND METROPOLITAN PLANNING ORGANIZATIONS.**—

(a) The following entities may establish rates that vary from the per diem rate provided in paragraph (6)(a), the subsistence rates provided in paragraph (6)(b), or the mileage rate provided in paragraph (7)(d) if those rates are not less than the statutorily established rates that are in effect for the 2005-2006 fiscal year:

1. The governing body of a county by the enactment of an ordinance or resolution;
2. A county constitutional officer, pursuant to s. 1(d), Art. VIII of the State Constitution, by the establishment of written policy;
3. The governing body of a district school board by the adoption of rules;
4. The governing body of a special district, as defined in s. 189.012, except those special districts that are subject to s. 166.021(9), by the enactment of a resolution; or
5. Any metropolitan planning organization created pursuant to s. 339.175 or any other separate legal or administrative entity created pursuant to s. 339.175 of which a metropolitan planning organization is a member, by the enactment of a resolution.

(b) Rates established pursuant to paragraph (a) must apply uniformly to all travel by the county, county constitutional officer and entity governed by that officer, district school board, special district, or metropolitan planning organization.

(c) Except as otherwise provided in this subsection, counties, county constitutional officers and entities governed by those officers, district school boards, special districts, and metropolitan planning organizations, other than those subject to s. 166.021(9), remain subject to the requirements of this section.

(15) **CLASS C TRAVEL.**—Moneys appropriated from the State Treasury may not be used to pay per diem or subsistence related to Class C travel.

(16) **STATEWIDE TRAVEL MANAGEMENT SYSTEM.**—

(a) For purposes of this subsection, “statewide travel management system” means the system developed by the Department of Management Services to:

1. Collect and store information relating to public officer or employee travel information;
2. Standardize and automate agency travel management;
3. Allow for travel planning and approval, expense reporting, and reimbursement; and
4. Allow travel information queries.

(b) Each executive branch state government agency and the judicial branch must report on the statewide travel management system all public officer and employee travel information, including, but not limited to, name and position title; purpose of travel; dates and location of travel; mode of travel; confirmation from the head of the agency or designee authorization, if required; and total travel cost. Each executive branch state government agency and the judicial branch must use the statewide travel management system for purposes of travel authorization and reimbursement.

(c) Travel reports made available on the statewide travel management system may not reveal information made confidential or exempt by law.

**History.**—ss. 1, 3, ch. 22830, 1945; ss. 1, 2, 3, ch. 23892, 1947; ss. 1, 3, ch. 25040, 1949; ss. 1, 3, ch. 26910, 1951; s. 1, ch. 28303, 1953; s. 1, ch. 29628, 1955; s. 1, ch. 57-230; s. 1, ch. 61-183; s. 1, ch. 61-43; s. 1, ch. 63-5; s. 1, ch. 63-192; s. 1, ch. 63-122; s. 1, ch. 63-400; ss. 2, 3, ch. 67-371; ss. 1, 2, ch. 67-2206; s. 1, ch. 69-193; s. 1, ch. 69-381; ss. 12, 23, 31, 35, ch. 69-106; s. 65, ch. 71-136; s. 1, ch. 72-213; s. 1, ch. 72-217; s. 1, ch. 72-324; s. 26, ch. 72-404; s. 1, ch. 73-169; s. 1, ch. 74-15; s. 1, ch. 74-246; s. 1, ch. 74-365; ss. 1, 2, ch. 75-33; s. 1, ch. 76-166; s. 2, ch. 76-208; ss. 1, 2, ch. 76-250; s. 1, ch. 77-174; s. 1, ch. 77-231; ss. 1, 2, ch. 77-437; s. 2, ch. 78-95; s. 51, ch. 79-190; s. 1, ch. 79-205; s. 1, ch. 79-303; s. 1, ch. 79-412; ss. 1, 2, ch. 81-207; ss. 1, 2, ch. 83-307; s. 1, ch. 85-140; s. 1, ch. 87-407; s. 4, ch. 88-235; s. 12, ch. 89-291; s. 18, ch. 91-45; s. 1, ch. 94-139; s. 1403, ch. 95-147; s. 26, ch. 95-312; s. 5, ch. 96-310; s. 43, ch. 96-399; s. 23, ch. 98-136; s. 9, ch. 99-8; s. 7, ch. 99-155; s. 16, ch. 99-399; ss. 48, 53, ch. 2001-254; ss. 46, 79, ch. 2002-402; s. 2, ch. 2003-125; s. 123, ch. 2003-261; s. 49, ch. 2003-399; s. 5, ch. 2004-5; s. 32, ch. 2004-269; s. 23, ch. 2005-71; s. 12, ch. 2006-1; s. 6, ch. 2006-18; ss. 14, 53, ch. 2006-26; s. 1, ch. 2006-41; s. 3, ch. 2006-54; s. 2, ch. 2007-196; s. 6, ch. 2008-6; s. 13, ch. 2008-153; s. 2, ch. 2010-4; s. 4, ch. 2011-143; s. 58, ch. 2014-22; s. 103, ch. 2019-116; s. 6, ch. 2019-118; s. 95, ch. 2020-114; s. 56, ch. 2021-37; s. 82, ch. 2022-157; s. 32, ch. 2023-8; s. 2, ch. 2023-145; s. 71, ch. 2023-240.

<sup>1</sup>**Note.**—Section 71, ch. 2023-240, amended paragraph (4)(d) “[i]n order to implement Specific Appropriation 2654 of the 2023-2024 General Appropriations Act.”

**112.062 Cabinet members; educational and informational travel expenses.**—When he or she deems it necessary in order to carry out an official function of office, a member of the Cabinet may incur and be reimbursed for travel expenses pursuant to s. 112.061 for the purpose of educating and informing the public as to the Cabinet member’s official duties.

**History.**—s. 1, ch. 80-212; s. 685, ch. 95-147.

**112.063 Reimbursement of county employees for educational expenses.**—County constitutional officers and county commissioners are authorized to reimburse employees for educational expenses, subject to the following conditions:

(1) The coursework must be designed to enhance the knowledge, skills, and abilities relating to official duties which the employees perform.

(2) The reimbursement of educational expenses in no way obligates the officer or commissioner to grant time off or leave for the taking or completion of such course or program of instruction.

(3) An employee shall not be permitted to utilize any space, personnel, equipment, or supplies of the office by which he or she is employed in the process of fulfilling any of the requirements imposed by the coursework for which he or she is being reimbursed.

(4) The limitations contained in subsections (1)-(3) shall not be construed to apply to any courses offered by or as a part of an educational program sponsored by any state agency for which the constitutional officer or commissioner is obligated to perform duties prescribed by law, or any educational program conducted in furtherance of s. 195.002, if such limitations did not exist prior to July 1, 1990.



Nothing in this section shall be construed as prohibiting employees from receiving otherwise authorized per diem expenses provided for by s. 112.061, nor shall it be construed as prohibiting the payment of wages otherwise due under the provisions of state or federal law.

*History.*—s. 1, ch. 90-80; s. 686, ch. 95-147.

**112.08 Group insurance for public officers, employees, and certain volunteers; physical examinations.—**

(1) As used in this section, the term “local governmental unit” means any county, municipality, community college district, school board, or special district or any county officer listed in s. 1(d), Art. VIII of the State Constitution.

(2)(a) Notwithstanding any general law or special act to the contrary, every local governmental unit is authorized to provide and pay out of its available funds for all or part of the premium for life, health, accident, hospitalization, legal expense, or annuity insurance, or all or any kinds of such insurance, for the officers and employees of the local governmental unit and for health, accident, hospitalization, and legal expense insurance for the dependents of such officers and employees upon a group insurance plan and, to that end, to enter into contracts with insurance companies or professional administrators to provide such insurance or with a corporation not for profit whose membership consists entirely of local governmental units authorized to enter into risk management consortiums under this subsection. Before entering any contract for insurance, the local governmental unit shall advertise for competitive bids; and such contract shall be let upon the basis of such bids. If a contracting health insurance provider becomes financially impaired as determined by the Office of Insurance Regulation of the Financial Services Commission or otherwise fails or refuses to provide the contracted-for coverage or coverages, the local government may purchase insurance, enter into risk management programs, or contract with third-party administrators and may make such acquisitions by advertising for competitive bids or by direct negotiations and contract. The local governmental unit may undertake simultaneous negotiations with those companies which have submitted reasonable and timely bids and are found by the local governmental unit to be fully qualified and capable of meeting all servicing requirements. Each local governmental unit may self-insure any plan for health, accident, and hospitalization coverage or enter into a risk management consortium to provide such coverage, subject to approval based on actuarial soundness by the Office of Insurance Regulation; and each shall contract with an insurance company or professional administrator qualified and approved by the office or with a corporation not for profit whose membership consists entirely of local governmental units authorized to enter into a risk management consortium under this subsection to administer such a plan.

(b) In order to obtain approval from the Office of Insurance Regulation of any self-insured plan for health, accident, and hospitalization coverage, each local governmental unit or consortium shall submit its plan along with a certification as to the actuarial soundness of the plan, which certification is prepared by an actuary who is a member of the Society of Actuaries or the American Academy of Actuaries. The Office of Insurance Regulation shall not approve the plan unless it determines that the plan is designed to provide sufficient revenues to pay current and future liabilities, as determined according to generally accepted actuarial principles. After implementation of an approved plan, each local governmental unit or consortium shall annually submit to the Office of Insurance Regulation a report which includes a statement prepared by an actuary who is a member of the Society of Actuaries or the American Academy of Actuaries as to the actuarial soundness of the plan. The report is due 90 days after the close of the fiscal year of the plan. The report shall consist of, but is not limited to:

1. The adequacy of contribution rates in meeting the level of benefits provided and the changes, if any, needed in the contribution rates to achieve or preserve a level of funding deemed adequate to enable payment of the benefit amounts provided under the plan and a valuation of present assets, based on statement value, and prospective assets and liabilities of the plan and the extent of any unfunded accrued liabilities.
2. A plan to amortize any unfunded liabilities and a description of actions taken to reduce unfunded liabilities.
3. A description and explanation of actuarial assumptions.
4. A schedule illustrating the amortization of any unfunded liabilities.
5. A comparative review illustrating the level of funds available to the plan from rates, investment income, and other sources realized over the period covered by the report with the assumptions used.

6. A statement by the actuary that the report is complete and accurate and that in the actuary's opinion the techniques and assumptions used are reasonable and meet the requirements and intent of this subsection.

7. Other factors or statements as required by the office in order to determine the actuarial soundness of the plan.

All assumptions used in the report shall be based on recognized actuarial principles acceptable to the Office of Insurance Regulation. The office shall review the report and shall notify the administrator of the plan and each entity participating in the plan, as identified by the administrator, of any actuarial deficiencies. Each local governmental unit is responsible for payment of valid claims of its employees that are not paid within 60 days after receipt by the plan administrator or consortium.

(c) Every local governmental unit is authorized to expend funds for preemployment physical examinations and postemployment physical examinations.

(3) Each local governmental unit is authorized to commingle in a common fund, plan, or program all payments for life, health, accident, hospitalization, or annuity insurance or all or any kinds of such insurance whether paid by the local governmental unit, officer or employee, or otherwise. The local governmental unit may determine the portion of the cost, if any, of such fund, plan, or program to be paid by officers or employees of the local governmental unit and fix the amounts to be paid by each such officer or employee as will best serve the public interest.

(4)(a) A local governmental unit may, at its discretion, provide group insurance consistent with the provisions of this section for volunteer or auxiliary firefighters, volunteer or auxiliary law enforcement agents, or volunteer or auxiliary ambulance or emergency service personnel within its jurisdiction. No insurance provided to volunteer personnel shall be used in the computation of workers' compensation benefits or in the determination of employee status for the purposes of collective bargaining.

(b) Benefits provided under group insurance policies pursuant to paragraph (a) shall not exceed benefits provided to employees under subsection (2) and ss. 112.19 and 112.191.

(5) The Department of Management Services shall initiate and supervise a group insurance program providing death and disability benefits for active members of the Florida Highway Patrol Auxiliary, with coverage beginning July 1, 1978, and purchased from state funds appropriated for that purpose. The Department of Management Services, in cooperation with the Office of Insurance Regulation, shall prepare specifications necessary to implement the program, and the Department of Management Services shall receive bids and award the contract in accordance with general law.

(6) The Financial Services Commission is authorized to adopt rules to carry out the provisions of this section as they pertain to its duties.

(7) All medical records and medical claims records in the custody of a unit of county or municipal government relating to county or municipal employees, former county or municipal employees, or eligible dependents of such employees enrolled in a county or municipal group insurance plan or self-insurance plan shall be kept confidential and are exempt from the provisions of s. 119.07(1). Such records shall not be furnished to any person other than the employee or the employee's legal representative, except upon written authorization of the employee, but may be furnished in any civil or criminal action, unless otherwise prohibited by law, upon the issuance of a subpoena from a court of competent jurisdiction and proper notice to the employee or the employee's legal representative by the party seeking such records.

(8) Patient medical records and medical claims records of water management district employees, former employees, and eligible dependents in the custody or control of the water management district under its group insurance plan established pursuant to s. 373.605 are confidential and exempt from s. 119.07(1). Such records shall not be furnished to any person other than the employee or the employee's legal representative, except upon written authorization of the employee, but may be furnished in any civil or criminal action, unless otherwise prohibited by law, upon the issuance of a subpoena from a court of competent jurisdiction and proper notice to the employee or the employee's legal representative by the party seeking such records.

**History.**—s. 1, ch. 20852, 1941; s. 1, ch. 69-300; s. 1, ch. 72-338; s. 1, ch. 76-208; s. 1, ch. 77-89; s. 50, ch. 79-40; s. 1, ch. 79-337; s. 67, ch. 79-400; s. 3, ch. 83-292; ss. 1, 2, ch. 84-307; s. 4, ch. 86-180; s. 26, ch. 90-360; s. 41, ch. 92-279; s. 55, ch. 92-326; s. 687, ch. 95-147; s. 33, ch. 96-406; s. 1, ch. 2001-123; s. 124, ch. 2003-261; s. 6, ch. 2004-305; s. 13, ch. 2005-2; s. 1, ch. 2016-194.

**112.0801 Group insurance; participation by retired employees.—**

(1) Any state agency, county, municipality, special district, community college, or district school board that provides life, health, accident, hospitalization, or annuity insurance, or all of any kinds of such insurance, for its officers and employees and their dependents upon a group insurance plan or self-insurance plan shall allow all former personnel who retired before October 1, 1987, as well as those who retire on or after such date, and their eligible dependents, the option of continuing to participate in the group insurance plan or self-insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. For retired employees and their eligible dependents, the cost of continued participation may be paid by the employer or by the retired employees. To determine health and hospitalization plan costs, the employer shall commingle the claims experience of the retiree group with the claims experience of the active employees; and, for other types of coverage, the employer may commingle the claims experience of the retiree group with the claims experience of active employees. Retirees covered under Medicare may be experience-rated separately from the retirees not covered by Medicare and from active employees if the total premium does not exceed that of the active group and coverage is basically the same as for the active group.

(2) For purposes of this section, “retiree” means any officer or employee who retires under a state retirement system or a state optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition to these requirements, any officer or employee who retires under the Florida Retirement System Investment Plan established under part II of chapter 121 is considered a “retired officer or employee” or “retiree” as used in this section if he or she:

(a) Meets the age and service requirements to qualify for normal retirement as set forth in s. 121.021(29); or

(b) Has attained the age specified by s. 72(t)(2)(A)(i) of the Internal Revenue Code and has the years of service required for vesting as set forth in s. 121.021(45).

**History.**—s. 2, ch. 76-151; s. 1, ch. 79-88; s. 1, ch. 80-304; s. 5, ch. 81-103; s. 1, ch. 83-294; s. 1, ch. 87-373; s. 1, ch. 2007-92; s. 1, ch. 2007-100; s. 2, ch. 2011-68.

**112.0804 Health insurance for retirees under the Florida Retirement System; Medicare supplement and fully insured coverage.—**

(1) The Department of Management Services shall solicit competitive bids from state-licensed insurance companies to provide and administer a fully insured Medicare supplement policy for all eligible retirees of a state or local public employer. Such Medicare supplement policy shall meet the provisions of ss. 627.671-627.675. For the purpose of this subsection, “eligible retiree” means any public employee who retired from a state or local public employer who is covered by Medicare, Parts A and B. The Department of Management Services shall authorize one company to offer the Medicare supplement coverage to all eligible retirees. All premiums shall be paid by the retiree.

(2) The Department of Management Services shall solicit competitive bids from state-licensed insurance companies to provide and administer fully insured health insurance coverage for all public employees who retired from a state or local public employer who are not covered by Medicare, Parts A and B. The Department of Management Services may authorize one company to offer such coverage if the proposed benefits and premiums are reasonable. If such coverage is authorized, all premiums shall be paid for by the retiree.

**History.**—s. 1, ch. 85-305; s. 42, ch. 92-279; s. 55, ch. 92-326.

**112.0805 Employer notice of insurance eligibility to employees who retire.—**Any employer who provides insurance coverage under s. 110.123 or s. 112.0801 shall notify those employees who retire of their eligibility to participate in either the same group insurance plan or self-insurance plan as provided in ss. 110.123 and 112.0801, or the insurance coverage as provided by this law.

**History.**—s. 2, ch. 85-305.

**112.081 Circuit judges, participation.—**All circuit judges who, on July 1, 1967, are participating in an insurance program for county employees are hereby deemed to be county employees for the purpose of such participation even though there is no actual cash salary supplement received from the county.

**History.**—s. 4, ch. 67-301.

**112.09 Evidence of election to provide insurance.—**The election to exercise such authority shall be evidenced by resolution, duly recorded in the official minutes, adopted by the board of county



commissioners in the case of a county, by the school board, in the case of a school district and by the members of the board, or department head if an individual, in the case of any state department, board or bureau, and by the governing body by resolution or ordinance in the case of any other governmental unit of the State of Florida.

**History.**—s. 2, ch. 20852, 1941; s. 1, ch. 69-300.

**112.10 Deduction and payment of premiums.**—Upon the request in writing of any officer or employee, the proper officials of each and every county, school board, governmental unit, department, board or bureau of the state, are hereby authorized and empowered to deduct from the wages of such officer or employee, periodically, the amount of the premium which such officer or employee has agreed to pay for such insurance, and to pay or remit the same directly to the insurance company issuing such group insurance.

**History.**—s. 3, ch. 20852, 1941; s. 1, ch. 69-300; s. 2, ch. 72-338.

**112.11 Participation voluntary.**—The participation in such group insurance by any officer or employee shall be entirely voluntary at all times. Any officer or employee may, upon any payday, withdraw or retire from such group insurance plan, upon giving the employer written notice thereof and directing the discontinuance of deductions from wages in payment of such premiums.

**History.**—s. 4, ch. 20852, 1941; s. 3, ch. 72-338; s. 688, ch. 95-147.

**112.13 Insurance additional to workers' compensation.**—The insurance permitted and allowed under this law shall be in addition to, and in no manner in lieu of the provisions of the Workers' Compensation Law.

**History.**—s. 6, ch. 20852, 1941; s. 51, ch. 79-40.

**112.14 Purpose and intent of law.**—It is hereby declared to be the purpose and intent of this law to make available upon a voluntary participation basis to the several officers and employees aforesaid, the economics, protection and benefits of group insurance not available to each officer and employee as an individual. It is also the purpose and intent of this law to provide authority for the payment of premiums or charges for group insurance for county officers whose compensation is fixed by chapter 145 in addition to the compensation provided in chapter 145.

**History.**—s. 5, ch. 20852, 1941; s. 5, ch. 72-338.

**112.151 Group hospitalization insurance for county officers and employees.**—The governing body of each county in the state is authorized to provide and pay out of its available funds all or part of the premiums for hospitalization insurance coverage for the officers or employees of the county and to enter into contracts with insurance companies to provide such insurance.

**History.**—s. 1, ch. 78-267.

**112.153 Local governmental group insurance plans; refunds with respect to overcharges by providers.**—A participant in a group insurance plan offered by a county, municipality, school board, local governmental unit, and special taxing unit, who discovers that he or she was overcharged by a hospital, physician, clinical lab, and other health care providers, shall receive a refund of 50 percent of any amount recovered as a result of such overcharge, up to a maximum of \$1,000 per admission. All such instances of overcharge shall be reported to the Agency for Health Care Administration for action it deems appropriate.

**History.**—s. 4, ch. 83-292; s. 1, ch. 91-48; s. 689, ch. 95-147; s. 9, ch. 97-95.

**112.161 Change in position or reclassification; continuance or resumption of membership in retirement system.**—

(1) Any person who is a participant in any state or county retirement system, who changes his or her position of employment, or who is reclassified so that under any existing law such person would participate in a different retirement system, may continue to participate and come under the same retirement system in which he or she participated or came under before changing positions or being reclassified so long as such person remains in the employ of the state or county and continues to make the contributions required by law. Any person who has changed positions or been reclassified heretofore may come back under and participate in the retirement system to which he or she belonged before such change or reclassification upon payment of all back contributions, plus 3 percent interest per annum, that would have been required by law had he or she continued to participate and come under such system continuously, such election to be made and payment to be made on or before the time of retirement.

(2) The provisions of this section shall supersede any existing law relating to state and county retirement systems or pensions, provided nothing herein shall be construed to apply to State Supreme

Court justices, as provided in chapter 25; nor to circuit judges as provided by chapter 38; nor to members of Duval County employees pension fund as provided in chapter 23259, Acts, 1945, as amended by chapter 27520, Acts, 1951, and chapter 27523, Acts, 1951.

**History.**—ss. 1, 2, ch. 57-752; ss. 24, 35, ch. 69-106; s. 690, ch. 95-147.

**112.171 Employee wage deductions.—**

(1) The counties, municipalities, and special districts of the state and the departments, agencies, bureaus, commissions, and officers thereof are authorized and permitted in their sole discretion to make deductions from the salary or wage of any employee or employees in such amount as shall be authorized and requested by such employee or employees and for such purpose as shall be authorized and requested by such employee or employees and shall pay such sums so deducted as directed by such employee or employees.

(2) It is the intent and purpose of this section to vest in the public officers, agencies and commissions herein enumerated the sole power and discretion to approve or disapprove requested deductions and the approval of and making of approved deductions shall not require the approval or making of other requested deductions.

**History.**—s. 1, ch. 59-409; s. 26, ch. 79-190.

**112.175 Employee wages; withholding to repay educational loan.—**

(1)(a) Any person who has received an educational loan made or guaranteed by the state or any of its political subdivisions and who at any time becomes or is an employee of the state or any of its political subdivisions shall be deemed to have agreed as a condition of employment to have consented to voluntary or involuntary withholding of wages to repay such loan. Any such employee who has defaulted or does default on the repayment of such loan shall, within 60 days after service of a notice of default by the agency holding the loan to the employee and the employing agency, establish a loan repayment schedule which shall be agreed to by both the agency holding the loan and the employee for repaying such defaulted loan through payroll deductions. Under no circumstances may an amount in excess of 10 percent per pay period of the pay of such employee be required by the agency holding the loan as part of a repayment schedule or plan. If such employee fails to establish a repayment schedule within the specified period of time or fails to meet the terms and conditions of the agreed to or approved repayment schedule as authorized by this subsection, such employee shall be deemed to have breached an essential condition of employment and shall be deemed to have consented to the involuntary withholding of wages or salary for the repayment of the loan.

(b) No person who is employed by the state or any of its political subdivisions on or after October 1, 1986, may be dismissed for having defaulted on the repayment of an educational loan made or guaranteed by the state or any of its political subdivisions.

(2) The Administration Commission shall adopt rules to implement this section, which shall include, but not be limited to, a standard method of calculating amounts to be withheld from employees who have failed to establish a repayment schedule within the specified period of time or failed to meet the terms and conditions of the agreed to or approved repayment schedule provided for in this section. Such method shall consider the following factors:

- (a) The amount of the loan which remains outstanding;
- (b) The income of the employee who owes such amount; and
- (c) Other factors such as the number of dependents supported by the employee.

**History.**—ss. 1, 2, ch. 86-129; s. 691, ch. 95-147.

**112.18 Firefighters and law enforcement or correctional officers; special provisions relative to disability.—**

(1)(a) Any condition or impairment of health of any Florida state, municipal, county, port authority, special tax district, or fire control district firefighter or any law enforcement officer, correctional officer, or correctional probation officer as defined in s. 943.10(1), (2), or (3) caused by tuberculosis, heart disease, or hypertension resulting in total or partial disability or death shall be presumed to have been accidental and to have been suffered in the line of duty unless the contrary be shown by competent evidence. However, any such firefighter, law enforcement officer, correctional officer, or correctional probation officer must have successfully passed a physical examination upon entering into any such service as a firefighter, law enforcement officer, correctional officer, or correctional probation officer, which examination failed to reveal any evidence of any such condition. Such presumption does not apply to benefits payable under or granted in a policy of life insurance or

disability insurance, unless the insurer and insured have negotiated for such additional benefits to be included in the policy contract.

(b)1. If a firefighter did not undergo a preemployment physical examination, the medical examination required by s. 633.412(5) shall be deemed to satisfy the physical examination requirement under paragraph (a), if the medical examination completed pursuant to s. 633.412(5) failed to reveal any evidence of tuberculosis, heart disease, or hypertension.

2. If a firefighter underwent a preemployment physical examination, the employing fire service provider, as defined in s. 633.102, must maintain records of the physical examination for at least 5 years after the employee's separation from the employing fire service provider. If the employing fire service provider fails to maintain the records of the physical examination for the 5-year period after the employee's separation, it is presumed that the employee has met the requirements of paragraph (a).

(c)1. For any workers' compensation claim filed under this section and chapter 440 occurring on or after July 1, 2010, a law enforcement officer, correctional officer, or correctional probation officer as defined in s. 943.10(1), (2), or (3) suffering from tuberculosis, heart disease, or hypertension is presumed not to have incurred such disease in the line of duty as provided in this section if the law enforcement officer, correctional officer, or correctional probation officer:

a. Departed in a material fashion from the prescribed course of treatment of his or her personal physician and the departure is demonstrated to have resulted in a significant aggravation of the tuberculosis, heart disease, or hypertension resulting in disability or increasing the disability or need for medical treatment; or

b. Was previously compensated pursuant to this section and chapter 440 for tuberculosis, heart disease, or hypertension and thereafter sustains and reports a new compensable workers' compensation claim under this section and chapter 440, and the law enforcement officer, correctional officer, or correctional probation officer has departed in a material fashion from the prescribed course of treatment of an authorized physician for the preexisting workers' compensation claim and the departure is demonstrated to have resulted in a significant aggravation of the tuberculosis, heart disease, or hypertension resulting in disability or increasing the disability or need for medical treatment.

2. As used in this paragraph, "prescribed course of treatment" means prescribed medical courses of action and prescribed medicines for the specific disease or diseases claimed and as documented in the prescribing physician's medical records.

3. If there is a dispute as to the appropriateness of the course of treatment prescribed by a physician under sub-subparagraph 1.a. or sub-subparagraph 1.b. or whether a departure in a material fashion from the prescribed course of treatment is demonstrated to have resulted in a significant aggravation of the tuberculosis, heart disease, or hypertension resulting in disability or increasing the disability or need for medical treatment, the law enforcement officer, correctional officer, or correctional probation officer is entitled to seek an independent medical examination pursuant to s. 440.13(5).

4. A law enforcement officer, correctional officer, or correctional probation officer is not entitled to the presumption provided in this section unless a claim for benefits is made prior to or within 180 days after leaving the employment of the employing agency.

(2) This section authorizes each governmental entity specified in subsection (1) to negotiate policy contracts for life and disability insurance to include accidental death benefits or double indemnity coverage which shall include the presumption that any condition or impairment of health of any firefighter, law enforcement officer, or correctional officer caused by tuberculosis, heart disease, or hypertension resulting in total or partial disability or death was accidental and suffered in the line of duty, unless the contrary be shown by competent evidence.

**History.**—s. 1, ch. 65-480; s. 1, ch. 73-125; s. 32, ch. 77-104; s. 692, ch. 95-147; s. 21, ch. 99-392; s. 3, ch. 2002-236; s. 2, ch. 2010-175; s. 1, ch. 2022-114.

**112.181 Firefighters, paramedics, emergency medical technicians, law enforcement officers, correctional officers; special provisions relative to certain communicable diseases.—**

(1) **DEFINITIONS.**—As used in this section, the term:

(a) "Body fluids" means blood and body fluids containing visible blood and other body fluids to which universal precautions for prevention of occupational transmission of blood-borne pathogens, as established by the Centers for Disease Control and Prevention, apply. For purposes of potential

transmission of meningococcal meningitis or tuberculosis, the term “body fluids” includes respiratory, salivary, and sinus fluids, including droplets, sputum, and saliva, mucous, and other fluids through which infectious airborne organisms can be transmitted between persons.

(b) “Emergency rescue or public safety worker” means any person employed full time by the state or any political subdivision of the state as a firefighter, paramedic, emergency medical technician, law enforcement officer, or correctional officer who, in the course of employment, runs a high risk of occupational exposure to hepatitis, meningococcal meningitis, or tuberculosis and who is not employed elsewhere in a similar capacity. However, the term “emergency rescue or public safety worker” does not include any person employed by a public hospital licensed under chapter 395 or any person employed by a subsidiary thereof.

(c) “Hepatitis” means hepatitis A, hepatitis B, hepatitis non-A, hepatitis non-B, hepatitis C, or any other strain of hepatitis generally recognized by the medical community.

(d) “High risk of occupational exposure” means that risk that is incurred because a person subject to the provisions of this section, in performing the basic duties associated with his or her employment:

1. Provides emergency medical treatment in a non-health-care setting where there is a potential for transfer of body fluids between persons;
2. At the site of an accident, fire, or other rescue or public safety operation, or in an emergency rescue or public safety vehicle, handles body fluids in or out of containers or works with or otherwise handles needles or other sharp instruments exposed to body fluids;
3. Engages in the pursuit, apprehension, and arrest of law violators or suspected law violators and, in performing such duties, may be exposed to body fluids; or
4. Is responsible for the custody, and physical restraint when necessary, of prisoners or inmates within a prison, jail, or other criminal detention facility, while on work detail outside the facility, or while being transported and, in performing such duties, may be exposed to body fluids.

(e) “Occupational exposure,” in the case of hepatitis, meningococcal meningitis, or tuberculosis, means an exposure that occurs during the performance of job duties that may place a worker at risk of infection.

(2) PRESUMPTION; ELIGIBILITY CONDITIONS.—Any emergency rescue or public safety worker who suffers a condition or impairment of health that is caused by hepatitis, meningococcal meningitis, or tuberculosis, that requires medical treatment, and that results in total or partial disability or death shall be presumed to have a disability suffered in the line of duty, unless the contrary is shown by competent evidence; however, in order to be entitled to the presumption, the emergency rescue or public safety worker must, by written affidavit as provided in s. 92.50, verify by written declaration that, to the best of his or her knowledge and belief:

- (a) In the case of a medical condition caused by or derived from hepatitis, he or she has not:
  1. Been exposed, through transfer of bodily fluids, to any person known to have sickness or medical conditions derived from hepatitis, outside the scope of his or her employment;
  2. Had a transfusion of blood or blood components, other than a transfusion arising out of an accident or injury happening in connection with his or her present employment, or received any blood products for the treatment of a coagulation disorder since last undergoing medical tests for hepatitis, which tests failed to indicate the presence of hepatitis;
  3. Engaged in unsafe sexual practices or other high-risk behavior, as identified by the Centers for Disease Control and Prevention or the Surgeon General of the United States, or had sexual relations with a person known to him or her to have engaged in such unsafe sexual practices or other high-risk behavior; or
  4. Used intravenous drugs not prescribed by a physician.
- (b) In the case of meningococcal meningitis, in the 10 days immediately preceding diagnosis he or she was not exposed, outside the scope of his or her employment, to any person known to have meningococcal meningitis or known to be an asymptomatic carrier of the disease.
- (c) In the case of tuberculosis, in the period of time since the worker’s last negative tuberculosis skin test, he or she has not been exposed, outside the scope of his or her employment, to any person known by him or her to have tuberculosis.

(3) IMMUNIZATION.—Whenever any standard, medically recognized vaccine or other form of immunization or prophylaxis exists for the prevention of a communicable disease for which a presumption is granted under this section, if medically indicated in the given circumstances pursuant

to immunization policies established by the Advisory Committee on Immunization Practices of the United States Public Health Service, an emergency rescue or public safety worker may be required by his or her employer to undergo the immunization or prophylaxis unless the worker's physician determines in writing that the immunization or other prophylaxis would pose a significant risk to the worker's health. Absent such written declaration, failure or refusal by an emergency rescue or public safety worker to undergo such immunization or prophylaxis disqualifies the worker from the benefits of the presumption.

(4) **LIFE AND DISABILITY INSURANCE COVERAGE.**—This section does not apply to benefits payable under or granted in a noncompulsory policy of life insurance or disability insurance, unless the insurer and insured have negotiated for such additional benefits to be included in the policy contract. However, the state or any political subdivision of the state may negotiate a policy contract for life and disability insurance which includes accidental death benefits or double indemnity coverage for any condition or impairment of health suffered by an emergency rescue or public safety worker, which condition or impairment is caused by a disease described in this section and results in total or partial disability or death.

(5) **RECORD OF EXPOSURES.**—The employing agency shall maintain a record of any known or reasonably suspected exposure of an emergency rescue or public safety worker in its employ to the diseases described in this section and shall immediately notify the employee of such exposure. An emergency rescue or public safety worker shall file an incident or accident report with his or her employer of each instance of known or suspected occupational exposure to hepatitis infection, meningococcal meningitis, or tuberculosis.

(6) **REQUIRED MEDICAL TESTS; PREEMPLOYMENT PHYSICAL.**—In order to be entitled to the presumption provided by this section:

(a) An emergency rescue or public safety worker must, prior to diagnosis, have undergone standard, medically acceptable tests for evidence of the communicable disease for which the presumption is sought, or evidence of medical conditions derived therefrom, which tests fail to indicate the presence of infection. This paragraph does not apply in the case of meningococcal meningitis.

(b) On or after June 15, 1995, an emergency rescue or public safety worker may be required to undergo a preemployment physical examination that tests for and fails to reveal any evidence of hepatitis or tuberculosis.

(7) **DISABILITY RETIREMENT.**—This section does not change the basic requirements for determining eligibility for disability retirement benefits under the Florida Retirement System or any pension plan administered by this state or any political subdivision thereof, except to the extent of affecting the determination as to whether a member was disabled in the line of duty or was otherwise disabled.

**History.**—s. 2, ch. 95-285; s. 2, ch. 96-198; s. 25, ch. 97-95; s. 26, ch. 97-96.

**112.1815 Firefighters, paramedics, emergency medical technicians, and law enforcement officers; special provisions for employment-related accidents and injuries.—**

(1) The term “first responder” as used in this section means a law enforcement officer as defined in s. 943.10, a firefighter as defined in s. 633.102, or an emergency medical technician or paramedic as defined in s. 401.23 employed by state or local government. A volunteer law enforcement officer, firefighter, or emergency medical technician or paramedic engaged by the state or a local government is also considered a first responder of the state or local government for purposes of this section.

(2)(a) For the purpose of determining benefits under this section relating to employment-related accidents and injuries of first responders, the following shall apply:

1. An injury or disease caused by the exposure to a toxic substance is not an injury by accident arising out of employment unless there is a preponderance of the evidence establishing that exposure to the specific substance involved, at the levels to which the first responder was exposed, can cause the injury or disease sustained by the employee.

2. Any adverse result or complication caused by a smallpox vaccination of a first responder is deemed to be an injury by accident arising out of work performed in the course and scope of employment.

3. A mental or nervous injury involving a first responder and occurring as a manifestation of a compensable injury must be demonstrated by clear and convincing evidence. For a mental or nervous injury arising out of the employment unaccompanied by a physical injury involving a first responder,



only medical benefits under s. 440.13 shall be payable for the mental or nervous injury. However, payment of indemnity as provided in s. 440.15 may not be made unless a physical injury arising out of injury as a first responder accompanies the mental or nervous injury. Benefits for a first responder are not subject to any limitation on temporary benefits under s. 440.093 or the 1-percent limitation on permanent psychiatric impairment benefits under s. 440.15(3)(c).

(b) In cases involving occupational disease, both causation and sufficient exposure to a specific harmful substance shown to be present in the workplace to support causation shall be proven by a preponderance of the evidence.

(3) Permanent total supplemental benefits received by a first responder whose employer does not participate in the social security program shall not terminate after the first responder attains the age of 62.

(4) For the purposes of this section, the term “occupational disease” means only a disease that arises out of employment as a first responder and is due to causes and conditions that are characteristic of and peculiar to a particular trade, occupation, process, or employment and excludes all ordinary diseases of life to which the general public is exposed, unless the incidence of the disease is substantially higher in the particular trade, occupation, process, or employment than for the general public.

(5)(a) For the purposes of this section and chapter 440, and notwithstanding sub-subparagraph (2)(a)3. and ss. 440.093 and 440.151(2), posttraumatic stress disorder, as described in the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition, published by the American Psychiatric Association, suffered by a first responder is a compensable occupational disease within the meaning of subsection (4) and s. 440.151 if:

1. The posttraumatic stress disorder resulted from the first responder acting within the course of his or her employment as provided in s. 440.091; and

2. The first responder is examined and subsequently diagnosed with such disorder by a licensed psychiatrist, in person or through telehealth as that term is defined in s. 456.47, who is an authorized treating physician as provided in chapter 440 due to one of the following events:

- a. Seeing for oneself a deceased minor;
- b. Directly witnessing the death of a minor;
- c. Directly witnessing an injury to a minor who subsequently died before or upon arrival at a hospital emergency department;
- d. Participating in the physical treatment of an injured minor who subsequently died before or upon arrival at a hospital emergency department;
- e. Manually transporting an injured minor who subsequently died before or upon arrival at a hospital emergency department;
- f. Seeing for oneself a decedent whose death involved grievous bodily harm of a nature that shocks the conscience;
- g. Directly witnessing a death, including suicide, that involved grievous bodily harm of a nature that shocks the conscience;
- h. Directly witnessing a homicide regardless of whether the homicide was criminal or excusable, including murder, mass killing as defined in 28 U.S.C. s. 530C, manslaughter, self-defense, misadventure, and negligence;
- i. Directly witnessing an injury, including an attempted suicide, to a person who subsequently died before or upon arrival at a hospital emergency department if the person was injured by grievous bodily harm of a nature that shocks the conscience;
- j. Participating in the physical treatment of an injury, including an attempted suicide, to a person who subsequently died before or upon arrival at a hospital emergency department if the person was injured by grievous bodily harm of a nature that shocks the conscience; or
- k. Manually transporting a person who was injured, including by attempted suicide, and subsequently died before or upon arrival at a hospital emergency department if the person was injured by grievous bodily harm of a nature that shocks the conscience.

(b) Such disorder must be demonstrated by clear and convincing medical evidence.

(c) Benefits for a first responder under this subsection:

1. Do not require a physical injury to the first responder; and
2. Are not subject to:

- a. Apportionment due to a preexisting posttraumatic stress disorder;
- b. Any limitation on temporary benefits under s. 440.093; or
- c. The 1-percent limitation on permanent psychiatric impairment benefits under s. 440.15(3).

(d) The time for notice of injury or death in cases of compensable posttraumatic stress disorder under this subsection is the same as in s. 440.151(6) and is measured from one of the qualifying events listed in subparagraph (a)2. or the diagnosis of the disorder, whichever is later. A claim under this subsection must be properly noticed within 52 weeks after the qualifying event or the diagnosis of the disorder, whichever is later.

(e) As used in this subsection, the term:

- 1. “Directly witnessing” means to see or hear for oneself.
- 2. “Manually transporting” means to perform physical labor to move the body of a wounded person for his or her safety or medical treatment.

- 3. “Minor” has the same meaning as in s. 1.01(13).

(f) The Department of Financial Services shall adopt rules specifying injuries qualifying as grievous bodily harm of a nature that shocks the conscience for the purposes of this subsection.

(6) An employing agency of a first responder, including volunteer first responders, must provide educational training related to mental health awareness, prevention, mitigation, and treatment.

**History.**—s. 1, ch. 2007-87; s. 116, ch. 2013-183; s. 1, ch. 2018-124; s. 1, ch. 2022-148; s. 2, ch. 2023-252.

**112.18155 Correctional officers; special provisions for posttraumatic stress disorders.—**

(1) As used in this section, the term:

- (a) “Correctional officer” has the same meaning as in s. 943.10(2).
- (b) “Directly witnessing” has the same meaning as in s. 112.1815(5)(e).
- (c) “Manually transporting” has the same meaning as in s. 112.1815(5)(e).
- (d) “Mass killing” means three or more killings in a single incident.

(2) For purposes of this section and chapter 440, and notwithstanding ss. 440.093 and 440.151(2), posttraumatic stress disorder, as described in the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition, published by the American Psychiatric Association, suffered by a correctional officer is a compensable occupational disease within the meaning of s. 440.151 if both of the following apply:

- (a) The posttraumatic stress disorder resulted from the correctional officer acting within the course of his or her employment as provided in s. 440.091.

- (b) The correctional officer is examined and subsequently diagnosed with such disorder by a licensed psychiatrist who is an authorized treating physician as provided in chapter 440 due to one of the following events:

- 1. Being taken hostage by an inmate or trapped in a life-threatening situation as a result of an inmate’s act;
- 2. Directly witnessing a death, including a death due to suicide, of a person who suffered grievous bodily harm of a nature that shocks the conscience;
- 3. Directly witnessing an injury, including an attempted suicide, to a person who subsequently dies before or upon arrival at a hospital emergency department if the person was injured by grievous bodily harm of a nature that shocks the conscience;
- 4. Participating in the physical treatment of an injury, or manually transporting a person who was injured, including by attempted suicide, who subsequently dies before or upon arrival at a hospital emergency department if the person was injured by grievous bodily harm of a nature that shocks the conscience;
- 5. Directly witnessing a homicide regardless of whether the homicide was criminal or excusable, including murder, mass killing, manslaughter, self-defense, misadventure, and negligence; or
- 6. Seeing for oneself a decedent whose death involved grievous bodily harm of a nature that shocks the conscience.

(3) The posttraumatic stress disorder must be demonstrated by clear and convincing medical evidence.

- (4) Benefits for a correctional officer under this section:
- (a) Do not require a physical injury to the correctional officer.
  - (b) Are not subject to any of the following:
    - 1. Apportionment due to a preexisting posttraumatic stress disorder.
    - 2. Any limitation on temporary benefits under s. 440.093.

3. The 1-percent limitation on permanent psychiatric impairment benefits under s. 440.15(3).

(5) The time for notice of injury or death in cases of compensable posttraumatic stress disorder under this section is the same as in s. 440.151(6) and is measured from one of the qualifying events listed in paragraph (2)(b) or the diagnosis of the disorder, whichever is later. A claim under this section must be properly noticed within 52 weeks after the qualifying event or the diagnosis of the disorder, whichever is later.

(6) An employing agency of a correctional officer must provide educational training related to mental health awareness, prevention, mitigation, and treatment.

(7) The Department of Financial Services shall adopt rules specifying injuries qualifying as grievous bodily harm of a nature that shocks the conscience for the purposes of this section.

History.—s. 2, ch. 2022-148.

**112.1816 Firefighters; cancer diagnosis.—**

(1) As used in this section, the term:

(a) “Cancer” includes:

1. Bladder cancer.
2. Brain cancer.
3. Breast cancer.
4. Cervical cancer.
5. Colon cancer.
6. Esophageal cancer.
7. Invasive skin cancer.
8. Kidney cancer.
9. Large intestinal cancer.
10. Lung cancer.
11. Malignant melanoma.
12. Mesothelioma.
13. Multiple myeloma.
14. Non-Hodgkin’s lymphoma.
15. Oral cavity and pharynx cancer.
16. Ovarian cancer.
17. Prostate cancer.
18. Rectal cancer.
19. Stomach cancer.
20. Testicular cancer.
21. Thyroid cancer.

(b) “Employer” has the same meaning as in s. 112.191.

(c) “Firefighter” means an individual employed as a full-time firefighter or full-time, Florida-certified fire investigator within the fire department or public safety department of an employer whose primary responsibilities are the prevention and extinguishing of fires; the protection of life and property; and the enforcement of municipal, county, and state fire prevention codes and laws pertaining to the prevention and control of fires; or the investigation of fires and explosives.

(2) Upon a diagnosis of cancer, a firefighter is entitled to the following benefits, as an alternative to pursuing workers’ compensation benefits under chapter 440, if the firefighter has been employed by his or her employer for at least 5 continuous years, has not used tobacco products for at least the preceding 5 years, and has not been employed in any other position in the preceding 5 years which is proven to create a higher risk for any cancer:

(a) Cancer treatment covered within an employer-sponsored health plan or through a group health insurance trust fund. The employer must timely reimburse the firefighter for any out-of-pocket deductible, copayment, or coinsurance costs incurred due to the treatment of cancer.

(b) A one-time cash payout of \$25,000, upon the firefighter’s initial diagnosis of cancer. If the firefighter elects to continue coverage in the employer-sponsored health plan or group health insurance trust fund after he or she terminates employment, the benefits specified in paragraphs (a) and (b) must be made available by the former employer of a firefighter for 10 years following the date on which the firefighter terminates employment so long as the firefighter otherwise met the criteria specified in this subsection when he or she terminated employment and was not subsequently employed



as a firefighter following that date. For purposes of determining leave time and employee retention policies, the employer must consider a firefighter's cancer diagnosis as an injury or illness incurred in the line of duty.

(3)(a) If the firefighter participates in an employer-sponsored retirement plan, the retirement plan must consider the firefighter totally and permanently disabled in the line of duty if he or she meets the retirement plan's definition of totally and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer.

(b) If the firefighter does not participate in an employer-sponsored retirement plan, the employer must provide a disability retirement plan that provides the firefighter with at least 42 percent of his or her annual salary, at no cost to the firefighter, until the firefighter's death, as coverage for total and permanent disabilities attributable to the diagnosis of cancer which arise out of the treatment of cancer.

(4)(a) If the firefighter participated in an employer-sponsored retirement plan, the retirement plan must consider the firefighter to have died in the line of duty if he or she dies as a result of cancer or circumstances that arise out of the treatment of cancer.

(b) If the firefighter did not participate in an employer-sponsored retirement plan, the employer must provide a death benefit to the firefighter's beneficiary, at no cost to the firefighter or his or her beneficiary, totaling at least 42 percent of the firefighter's most recent annual salary for at least 10 years following the firefighter's death as a result of cancer or circumstances that arise out of the treatment of cancer.

(c) Firefighters who die as a result of cancer or circumstances that arise out of the treatment of cancer are considered to have died in the manner as described in s. 112.191(2)(a), and all of the benefits arising out of such death are available to the deceased firefighter's beneficiary.

(5)(a) The costs to provide the reimbursements and lump sum payments under subsection (2) and the costs to provide disability retirement benefits under paragraph (3)(b) and the line-of-duty death benefits under paragraph (4)(b) must be borne solely by the employer.

(b) The employer or employers participating in a retirement plan or system are solely responsible for the payment of the contributions necessary to fund the increased actuarial costs associated with the implementation of the presumptions under paragraphs (3)(a) and (4)(a), respectively, that cancer has, or the circumstances that arise out of the treatment of cancer have, either rendered the firefighter totally and permanently disabled or resulted in the death of the firefighter in the line of duty.

(c) An employer may not increase employee contributions required to participate in a retirement plan or system to fund the costs associated with enhanced benefits provided in subsections (3) and (4).

(6) The Division of State Fire Marshal within the Department of Financial Services shall adopt rules to establish employer cancer prevention best practices as it relates to personal protective equipment, decontamination, fire suppression apparatus, and fire stations.

**History.**—s. 1, ch. 2019-21; s. 1, ch. 2022-131.

#### **112.182 “Firefighter rule” abolished.—**

(1) A firefighter or properly identified law enforcement officer who lawfully enters upon the premises of another in the discharge of his or her duty occupies the status of an invitee. The common-law rule that such a firefighter or law enforcement officer occupies the status of a licensee is hereby abolished.

(2) It is not the intent of this section to increase or diminish the duty of care owed by property owners to invitees. Property owners shall be liable to invitees pursuant to this section only when the property owner negligently fails to maintain the premises in a reasonably safe condition or negligently fails to correct a dangerous condition of which the property owner either knew or should have known by the use of reasonable care or negligently fails to warn the invitee of a dangerous condition about which the property owner had, or should have had, knowledge greater than that of the invitee.

**History.**—s. 1, ch. 90-308; s. 693, ch. 95-147.

#### **112.19 Law enforcement, correctional, and correctional probation officers; death benefits.—**

(1) As used in this section, the term:

(a) “Employer” means a state board, commission, department, division, bureau, or agency, or a county, municipality, or other political subdivision of the state, which employs, appoints, or otherwise engages the services of law enforcement, correctional, or correctional probation officers.

(b) “Fresh pursuit” means the pursuit of a person who has committed or is reasonably suspected of having committed a felony, misdemeanor, traffic infraction, or violation of a county or municipal ordinance. The term does not imply instant pursuit, but pursuit without unreasonable delay.

(c) “Insurance” means insurance procured from a stock company or mutual company or association or exchange authorized to do business as an insurer in this state.

(d) “Law enforcement, correctional, or correctional probation officer” means any officer as defined in s. 943.10(14) or employee of the state or any political subdivision of the state, including any law enforcement officer, correctional officer, correctional probation officer, state attorney investigator, public defender investigator, or criminal conflict and civil regional counsel investigator, whose duties require such officer or employee to investigate, pursue, apprehend, arrest, transport, or maintain custody of persons who are charged with, suspected of committing, or convicted of a crime; and the term includes any member of a bomb disposal unit whose primary responsibility is the location, handling, and disposal of explosive devices. The term also includes any full-time officer or employee of the state or any political subdivision of the state, certified pursuant to chapter 943, whose duties require such officer to serve process or to attend a session of a circuit or county court as bailiff.

(2)(a) The sum of \$75,000 must be paid as provided in this section when a law enforcement, correctional, or correctional probation officer, while engaged in the performance of the officer’s law enforcement duties, is accidentally killed or receives accidental bodily injury which results in the loss of the officer’s life, provided that such killing is not the result of suicide and that such bodily injury is not intentionally self-inflicted.

(b) The sum of \$75,000 must be paid as provided in this section if a law enforcement, correctional, or correctional probation officer is accidentally killed as specified in paragraph (a) and the accidental death occurs:

1. As a result of the officer’s response to fresh pursuit;
2. As a result of the officer’s response to what is reasonably believed to be an emergency;
3. At the scene of a traffic accident to which the officer has responded; or
4. While the officer is enforcing what is reasonably believed to be a traffic law or ordinance.

This sum is in addition to any sum provided for in paragraph (a).

(c) If a law enforcement, correctional, or correctional probation officer, while engaged in the performance of the officer’s law enforcement duties, is unlawfully and intentionally killed or dies as a result of such unlawful and intentional act, the sum of \$225,000 must be paid as provided in this section.

(d) Such payments, pursuant to paragraphs (a), (b), and (c), whether secured by insurance or not, must be made to the beneficiary designated by such law enforcement, correctional, or correctional probation officer in writing, signed by the officer and delivered to the employer during the officer’s lifetime. If no such designation is made, then the payments must be paid to the officer’s surviving child or children and to the officer’s surviving spouse in equal portions, and if there is no surviving child or spouse, then to the officer’s parent or parents. If a beneficiary is not designated and there is no surviving child, spouse, or parent, then the sum must be paid to the officer’s estate.

(e) Such payments, pursuant to paragraphs (a), (b), and (c), are in addition to any workers’ compensation or retirement plan benefits and are exempt from the claims and demands of creditors of such law enforcement, correctional, or correctional probation officer.

(f) If a full-time law enforcement, correctional, or correctional probation officer who is certified pursuant to chapter 943 and employed by a state agency is killed in the line of duty while the officer is engaged in the performance of law enforcement duties or as a result of an assault against the officer under riot conditions:

1. The sum of \$10,000 must be paid, as provided for in paragraph (d), toward the funeral and burial expenses of such officer. Such benefits are in addition to any other benefits to which employee beneficiaries and dependents are entitled under the Workers’ Compensation Law or any other state or federal statutes; and
2. The officer’s employing agency may pay up to \$5,000 directly toward the venue expenses associated with the funeral and burial services of such officer.

(g) Any political subdivision of the state that employs a full-time law enforcement officer as defined in s. 943.10(1) or a full-time correctional officer as defined in s. 943.10(2) who is killed in the line of duty on or after July 1, 1993, as a result of an act of violence inflicted by another person while

the officer is engaged in the performance of law enforcement duties or as a result of an assault against the officer under riot conditions shall pay the entire premium of the political subdivision's health insurance plan for the employee's surviving spouse until remarried, and for each dependent child of the employee until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if:

1. At the time of the employee's death, the child is dependent upon the employee for support; and
2. The surviving child continues to be dependent for support, or the surviving child is a full-time or part-time student and is dependent for support.

(h)1. Any employer who employs a full-time law enforcement, correctional, or correctional probation officer who, on or after January 1, 1995, suffers a catastrophic injury, as defined in s. 440.02, Florida Statutes 2002, in the line of duty shall pay the entire premium of the employer's health insurance plan for the injured employee, the injured employee's spouse, and for each dependent child of the injured employee until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if the child continues to be dependent for support, or the child is a full-time or part-time student and is dependent for support. The term "health insurance plan" does not include supplemental benefits that are not part of the basic group health insurance plan. If the injured employee subsequently dies, the employer shall continue to pay the entire health insurance premium for the surviving spouse until remarried, and for the dependent children, under the conditions outlined in this paragraph. However:

- a. Health insurance benefits payable from any other source shall reduce benefits payable under this section.
- b. It is unlawful for a person to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement to obtain health insurance coverage as provided under this paragraph. A person who violates this sub-subparagraph commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.
- c. In addition to any applicable criminal penalty, upon conviction for a violation as described in sub-subparagraph b., a law enforcement, correctional, or correctional probation officer or other beneficiary who receives or seeks to receive health insurance benefits under this paragraph shall forfeit the right to receive such health insurance benefits, and shall reimburse the employer for all benefits paid due to the fraud or other prohibited activity. For purposes of this sub-subparagraph, the term "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

2. In order for the officer, spouse, and dependent children to be eligible for such insurance coverage, the injury must have occurred as the result of the officer's response to fresh pursuit, the officer's response to what is reasonably believed to be an emergency, or an unlawful act perpetrated by another. Except as otherwise provided herein, this paragraph may not be construed to limit health insurance coverage for which the officer, spouse, or dependent children may otherwise be eligible, except that a person who qualifies under this section is not eligible for the health insurance subsidy provided under chapter 121, chapter 175, or chapter 185.

(i) The Bureau of Crime Prevention and Training within the Department of Legal Affairs shall adopt rules necessary to implement paragraphs (a), (b), and (c).

(3) If a law enforcement, correctional, or correctional probation officer is accidentally killed as specified in paragraph (2)(b) on or after June 22, 1990, but before July 1, 2019, or unlawfully and intentionally killed as specified in paragraph (2)(c) on or after July 1, 1980, but before July 1, 2019, the state must waive certain educational expenses that the child or spouse of the deceased officer incurs while obtaining a career certificate, an undergraduate education, or a postgraduate education. The amount waived by the state must be in an amount equal to the cost of tuition and matriculation and registration fees for a total of 120 credit hours. The child or spouse may attend a state career center, a Florida College System institution, or a state university on either a full-time or part-time basis. The benefits provided to a child under this subsection shall continue until the child's 25th birthday. The benefits provided to a spouse under this subsection must commence within 5 years after the death occurs, and entitlement thereto shall continue until the 10th anniversary of that death.

(a) Upon failure of any child or spouse who receives a waiver in accordance with this subsection to comply with the ordinary and minimum requirements regarding discipline and scholarship of the

institution attended, such benefits must be withdrawn as to the child or spouse and no further moneys may be expended for the child's or spouse's benefits so long as such failure or delinquency continues.

(b) Only a student in good standing in his or her respective institution may receive the benefits provided in this subsection.

(c) A child or spouse receiving benefits under this subsection must be enrolled according to the customary rules and requirements of the institution attended.

(4)(a) The employer of such law enforcement, correctional, or correctional probation officer is liable for the payment of the sums specified in this section and is deemed self-insured, unless it procures and maintains, or has already procured and maintained, insurance to secure such payments. Any such insurance may cover only the risks indicated in this section, in the amounts indicated in this section, or it may cover those risks and additional risks and may be in larger amounts. Any such insurance must be placed by such employer only after public bid of such insurance coverage which must be awarded to the carrier making the lowest best bid.

(b) Payment of benefits to beneficiaries of state employees, or of the premiums to cover the risk, under this section must be paid from existing funds otherwise appropriated to the department employing the law enforcement, correctional, or correctional probation officers.

(5) The State Board of Education shall adopt rules and procedures, and the Board of Governors shall adopt regulations and procedures, as are appropriate and necessary to implement the educational benefits provisions of this section.

(6) Notwithstanding any provision of this section to the contrary, the death benefits provided in paragraphs (2)(c) and (g) shall also be applicable and paid in cases where an officer received bodily injury before July 1, 1993, and subsequently died on or after July 1, 1993, as a result of such in-line-of-duty injury attributable to an unlawful and intentional act, or an act of violence inflicted by another, or an assault on the officer under riot conditions. Payment of such benefits must be in accordance with this section. This subsection may not be construed to limit death benefits for which those individuals listed in paragraph (2)(d) may otherwise be eligible.

**History.**—ss. 1, 2, ch. 67-408; ss. 1, 3, ch. 71-301; s. 52, ch. 79-40; s. 1, ch. 87-143; s. 2, ch. 89-22; s. 1, ch. 90-138; s. 1, ch. 92-59; s. 3, ch. 93-149; s. 2, ch. 94-171; s. 1404, ch. 95-147; s. 3, ch. 95-283; s. 3, ch. 96-198; s. 38, ch. 99-2; s. 1, ch. 2002-191; s. 5, ch. 2002-194; s. 1, ch. 2002-232; s. 9, ch. 2003-1; s. 46, ch. 2003-412; ss. 14, 15, ch. 2004-357; ss. 2, 5, 6, ch. 2005-100; s. 8, ch. 2007-217; s. 2, ch. 2010-78; s. 11, ch. 2013-25; ss. 12, 13, ch. 2014-17; s. 1, ch. 2015-163; s. 1, ch. 2019-24; s. 7, ch. 2022-195; s. 33, ch. 2023-8; s. 3, ch. 2023-145.

**112.191 Firefighters; death benefits.—**

(1) As used in this section, the term:

(a) “Employer” means a state board, commission, department, division, bureau, or agency, or a county, municipality, or other political subdivision of the state.

(b) “Firefighter” means any duly employed uniformed firefighter employed by an employer, whose primary duty is the prevention and extinguishing of fires, the protection of life and property therefrom, the enforcement of municipal, county, and state fire prevention codes, as well as the enforcement of any law pertaining to the prevention and control of fires, who is certified pursuant to s. 633.408 and who is a member of a duly constituted fire department of such employer or who is a volunteer firefighter.

(c) “Insurance” means insurance procured from a stock company or mutual company or association or exchange authorized to do business as an insurer in this state.

(2)(a) The sum of \$75,000 must be paid as provided in this section when a firefighter, while engaged in the performance of his or her firefighter duties, is accidentally killed or receives accidental bodily injury which subsequently results in the loss of the firefighter's life, provided that such killing is not the result of suicide and that such bodily injury is not intentionally self-inflicted.

(b) The sum of \$75,000 must be paid as provided in this section if a firefighter is accidentally killed as specified in paragraph (a) and the accidental death occurs as a result of the firefighter's response to what is reasonably believed to be an emergency involving the protection of life or property or the firefighter's participation in a training exercise. This sum is in addition to any sum provided in paragraph (a).

(c) If a firefighter, while engaged in the performance of his or her firefighter duties, is unlawfully and intentionally killed, is injured by an unlawful and intentional act of another person and dies as a result of such injury, dies as a result of a fire which has been determined to have been caused by an

act of arson, or subsequently dies as a result of injuries sustained therefrom, the sum of \$225,000 must be paid as provided in this section.

(d) Such payments, pursuant to paragraphs (a), (b), and (c), whether secured by insurance or not, must be made to the beneficiary designated by such firefighter in writing, signed by the firefighter and delivered to the employer during the firefighter's lifetime. If no such designation is made, then the payment must be paid to the firefighter's surviving child or children and to the firefighter's surviving spouse in equal portions, and if there be no surviving child or spouse, then to the firefighter's parent or parents. If a beneficiary designation is not made and there is no surviving child, spouse, or parent, then the sum must be paid to the firefighter's estate.

(e) Such payments, pursuant to paragraphs (a), (b), and (c), are in addition to any workers' compensation or retirement plan benefits and are exempt from the claims and demands of creditors of such firefighter.

(f) Any political subdivision of the state that employs a full-time firefighter who is killed in the line of duty on or after July 1, 1993, as a result of an act of violence inflicted by another person while the firefighter is engaged in the performance of firefighter duties, as a result of a fire which has been determined to have been caused by an act of arson, or as a result of an assault against the firefighter under riot conditions shall pay the entire premium of the political subdivision's health insurance plan for the employee's surviving spouse until remarried, and for each dependent child of the employee until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if:

1. At the time of the employee's death, the child is dependent upon the employee for support; and
2. The surviving child continues to be dependent for support, or the surviving child is a full-time or part-time student and is dependent for support.

(g)1. Any employer who employs a full-time firefighter who, on or after January 1, 1995, suffers a catastrophic injury, as defined in s. 440.02, Florida Statutes 2002, in the line of duty shall pay the entire premium of the employer's health insurance plan for the injured employee, the injured employee's spouse, and for each dependent child of the injured employee until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if the child continues to be dependent for support, or the child is a full-time or part-time student and is dependent for support. The term "health insurance plan" does not include supplemental benefits that are not part of the basic group health insurance plan. If the injured employee subsequently dies, the employer shall continue to pay the entire health insurance premium for the surviving spouse until remarried, and for the dependent children, under the conditions outlined in this paragraph. However:

- a. Health insurance benefits payable from any other source shall reduce benefits payable under this section.
- b. It is unlawful for a person to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement to obtain health insurance coverage as provided under this paragraph. A person who violates this sub-subparagraph commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

c. In addition to any applicable criminal penalty, upon conviction for a violation as described in sub-subparagraph b., a firefighter or other beneficiary who receives or seeks to receive health insurance benefits under this paragraph shall forfeit the right to receive such health insurance benefits, and shall reimburse the employer for all benefits paid due to the fraud or other prohibited activity. For purposes of this sub-subparagraph, the term "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

2. In order for the firefighter, spouse, and dependent children to be eligible for such insurance coverage, the injury must have occurred as the result of the firefighter's response to what is reasonably believed to be an emergency involving the protection of life or property, or an unlawful act perpetrated by another. Except as otherwise provided herein, this paragraph may not be construed to limit health insurance coverage for which the firefighter, spouse, or dependent children may otherwise be eligible, except that a person who qualifies for benefits under this section is not eligible for the health insurance subsidy provided under chapter 121, chapter 175, or chapter 185.



Notwithstanding any provision of this section to the contrary, the death benefits provided in paragraphs (b), (c), and (f) shall also be applicable and paid in cases where a firefighter received bodily injury prior to July 1, 1993, and subsequently died on or after July 1, 1993, as a result of such in-line-of-duty injury.

(h) The Division of the State Fire Marshal within the Department of Financial Services shall adopt rules necessary to implement this section.

(3) If a firefighter is accidentally killed as specified in paragraph (2)(b) on or after June 22, 1990, but before July 1, 2019, or unlawfully and intentionally killed as specified in paragraph (2)(c), on or after July 1, 1980, but before July 1, 2019, the state must waive certain educational expenses that the child or spouse of the deceased firefighter incurs while obtaining a career certificate, an undergraduate education, or a postgraduate education. The amount waived by the state must be in an amount equal to the cost of tuition and matriculation and registration fees for a total of 120 credit hours. The child or spouse may attend a state career center, a Florida College System institution, or a state university on either a full-time or part-time basis. The benefits provided to a child under this subsection shall continue until the child's 25th birthday. The benefits provided to a spouse under this subsection must commence within 5 years after the death occurs, and entitlement thereto shall continue until the 10th anniversary of that death.

(a) Upon failure of any child or spouse who receives a waiver in accordance with this subsection to comply with the ordinary and minimum requirements regarding discipline and scholarship of the institution attended, such benefits must be withdrawn as to the child or spouse and no further moneys expended for the child's or spouse's benefits so long as such failure or delinquency continues.

(b) Only students in good standing in their respective institutions may receive the benefits provided in this subsection.

(c) A child or spouse receiving benefits under this subsection must be enrolled according to the customary rules and requirements of the institution attended.

(4)(a) The employer of such firefighter is liable for the payment of the sums specified in this section and is deemed self-insured, unless it procures and maintains, or has already procured and maintained, insurance to secure such payments. Any such insurance may cover only the risks indicated in this section, in the amounts indicated in this section, or it may cover those risks and additional risks and may be in larger amounts. Any such insurance must be placed by such employer only after public bid of such insurance coverage which must be awarded to the carrier making the lowest best bid.

(b) Payment of benefits to beneficiaries of state employees, or of the premiums to cover the risk, under this section, must be paid from existing funds otherwise appropriated for the department.

(5) The State Board of Education shall adopt rules and procedures, and the Board of Governors shall adopt regulations and procedures, as are appropriate and necessary to implement the educational benefits provisions of this section.

**History.**—ss. 1, 2, ch. 67-443; ss. 1, 2, ch. 69-35; s. 7, ch. 69-353; ss. 2, 3, ch. 71-301; s. 1, ch. 78-7; s. 53, ch. 79-40; s. 3, ch. 90-138; s. 2, ch. 92-59; s. 1, ch. 93-149; s. 3, ch. 94-171; s. 1405, ch. 95-147; s. 4, ch. 96-198; s. 39, ch. 99-2; s. 2, ch. 2002-191; s. 6, ch. 2002-194; s. 2, ch. 2002-232; s. 10, ch. 2003-1; s. 125, ch. 2003-261; s. 47, ch. 2003-412; s. 6, ch. 2004-5; ss. 16, 17, ch. 2004-357; s. 9, ch. 2007-217; s. 3, ch. 2010-78; s. 5, ch. 2010-179; ss. 91, 117, ch. 2013-183; ss. 14, 15, ch. 2014-17; s. 2, ch. 2019-24.

#### **112.1911 Emergency medical technicians and paramedics; death benefits.—**

(1) As used in this section, the term:

(a) “Emergency medical technician” means a person who is certified by the Department of Health to perform basic life support pursuant to part III of chapter 401, who is employed by an employer, and whose primary duties and responsibilities include on-the-scene emergency medical care.

(b) “Employer” means a state board, commission, department, division, bureau, or agency, or a county, municipality, or other political subdivision of the state.

(c) “Insurance” means insurance procured from a stock company or mutual company, or an association or exchange authorized to do business as an insurer in this state.

(d) “Paramedic” means a person who is certified by the Department of Health to perform basic and advanced life support pursuant to part III of chapter 401, who is employed by an employer, and whose primary duties and responsibilities include on-the-scene emergency medical care.

(2)(a) The sum of \$75,000 must be paid as provided in this section when an emergency medical technician or a paramedic, while engaged in the performance of his or her official duties, is accidentally killed or receives an accidental bodily injury that subsequently results in the loss of the

individual's life, provided that such killing is not the result of suicide and that such bodily injury is not intentionally self-inflicted.

(b) The sum of \$75,000 must be paid as provided in this section if an emergency medical technician or a paramedic is accidentally killed as specified in paragraph (a) and the accidental death occurs as a result of the emergency medical technician's or paramedic's response to what is reasonably believed to be an emergency involving the protection of life. This sum is in addition to any sum provided under paragraph (a).

(c) If an emergency medical technician or a paramedic, while engaged in the performance of his or her official duties, is unlawfully and intentionally killed or is injured by an unlawful and intentional act of another person and dies as a result of such injury, the sum of \$225,000 must be paid as provided in this section.

(d) Such payments, pursuant to paragraphs (a), (b), and (c), whether secured by insurance or not, must be made to the beneficiary designated by such emergency medical technician or paramedic in a written and signed form, which must be delivered to the employer during the emergency medical technician's or paramedic's lifetime. If no such designation is made, then the payments must be made to the emergency medical technician's or paramedic's surviving child or children and to his or her surviving spouse in equal portions, or if there is no surviving child or spouse, must be made to the emergency medical technician's or paramedic's parent or parents. If a beneficiary is not designated and there is no surviving child, spouse, or parent, then the sum must be paid to the emergency medical technician's or paramedic's estate.

(e) Such payments, pursuant to paragraphs (a), (b), and (c), are in addition to any workers' compensation or retirement plan benefits and are exempt from the claims and demands of creditors of such emergency medical technician or paramedic.

(3)(a) The employer of an emergency medical technician or a paramedic is liable for the payment of the benefits specified in this section and is deemed self-insured, unless it procures and maintains, or has already procured and maintained, insurance to cover such payments. Any such insurance may cover only the risks indicated in this section, in the amounts indicated in this section, or it may cover those risks and additional risks and may be in larger amounts. Any such insurance must be placed by such employer only after public bid of such insurance coverage, which must be awarded to the carrier making the lowest best bid.

(b) Payment of benefits to beneficiaries of state employees, or of the premiums to cover the risk, under this section, must be paid from existing funds otherwise appropriated to the agency that employed the emergency medical technician or paramedic.

History.—s. 3, ch. 2019-24.

#### **112.1912 First responders; death benefits for educational expenses.—**

(1) As used in this section, the term "first responder" means:

(a) A law enforcement, correctional, or correctional probation officer as defined in s. 112.19(1) who is killed as provided in s. 112.19(2) on or after July 1, 2019;

(b) A firefighter as defined in s. 112.191(1) who is killed as provided in s. 112.191(2) on or after July 1, 2019; or

(c) An emergency medical technician or a paramedic, as defined in s. 112.1911(1), who is killed as provided in s. 112.1911(2) on or after July 1, 2019.

(2)(a) The state shall waive certain educational expenses that the child or spouse of a deceased first responder incurs while obtaining a career certificate, an undergraduate education, or a postgraduate education. The amount waived by the state must be in an amount equal to the cost of tuition and matriculation and registration fees for a total of 120 credit hours. The child or the spouse may attend a state career center, a Florida College System institution, or a state university on either a full-time or part-time basis. The benefits provided to a child under this subsection must continue until the child's 25th birthday. The benefits provided to a spouse under this subsection must commence within 5 years after the first responder's death occurs and may continue until the 10th anniversary of that death.

(b) Upon failure of any child or spouse who receives a waiver in accordance with this subsection to comply with the ordinary and minimum requirements regarding discipline and scholarship of the institution attended, such benefits to the child or the spouse must be withdrawn and no further moneys may be expended for the child's or spouse's benefits so long as such failure or delinquency continues.

(c) Only a student in good standing in his or her respective institution may receive the benefits provided in this subsection.

(d) A child or spouse receiving benefits under this subsection must be enrolled according to the customary rules and requirements of the institution attended.

(e) The State Board of Education shall adopt rules and procedures, and the Board of Governors shall adopt regulations and procedures, as are appropriate and necessary to implement this subsection.

**History.**—s. 4, ch. 2019-24; s. 17, ch. 2022-195.

**112.1913 Effect of ch. 2003-412.**—The amendments to ss. 440.02 and 440.15 which are made by this act shall not be construed to affect any determination of disability under s. 112.18, s. 112.181, or s. 112.19.

**History.**—s. 48, ch. 2003-412.

**112.1915 Teachers and school administrators; death benefits.**—Any other provision of law to the contrary notwithstanding:

(1) As used in this section, the term:

(a) “Employer” means the district school board.

(b) “Teacher” means any instructional staff personnel as described in s. 1012.01(2).

(c) “School administrator” means any school administrator as described in s. 1012.01(3).

(d) “Teaching duties” means the actual performance of duties required by a teacher’s employment during his or her regularly scheduled working hours or irregular working hours as required or assigned by the employer.

(e) “School administrator duties” means the actual performance of duties required by a school administrator’s employment during his or her regularly scheduled working hours or irregular working hours as required or assigned by the employer.

(f) “Beneficiary” means the person designated by the teacher or school administrator in writing, signed by the teacher or school administrator and delivered to the employer during the teacher’s or school administrator’s lifetime. If a beneficiary is not designated, the beneficiary is the teacher’s or school administrator’s estate.

(2) The benefits described in subsection (3) shall be provided when a teacher or school administrator is killed or injured and dies as a result of an unlawful and intentional act, provided that such killing or injury and death is the result of an act of violence inflicted by another person, and provided that:

(a) Such act is inflicted upon the teacher or school administrator while he or she is engaged in the performance of teaching duties or school administrator duties; or

(b) The motivation for such act is related in whole or in part to the fact that the individual is a teacher or school administrator.

(3) If a teacher or school administrator dies under the conditions in subsection (2), benefits shall be provided as follows:

(a) The sum of \$75,000 shall be paid, whether secured by insurance or not, to the beneficiary. The payment shall be in addition to any other insurance, workers’ compensation, or pension benefits or other benefits that teacher or school administrator beneficiaries and dependents are entitled to under state or federal statutes and shall be exempt from the claims and demands of creditors of such teacher or school administrator, pursuant to s. 732.402(2)(d).

(b) The sum of \$1,000 shall be paid, whether secured by insurance or not, to the beneficiary toward the funeral and burial expenses of such teacher or school administrator. The payment shall be in addition to any workers’ compensation or pension benefits or other benefits that teacher or school administrator beneficiaries and dependents are entitled to under state or federal statutes and shall be exempt from the claims and demands of creditors of such teacher or school administrator, pursuant to s. 732.402(2)(d).

(c) Payment of the entire health insurance premium for the school district’s health insurance plan shall continue for the teacher’s or school administrator’s surviving spouse until remarried, and for each dependent child of the teacher or school administrator until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if:

1. At the time of the teacher’s or school administrator’s death, the child is dependent upon the teacher or school administrator for support; and

2. The surviving child continues to be dependent for support, or the surviving child is a full-time or part-time student and is dependent for support.



The district school board that employed the teacher or school administrator who is killed shall pay the health insurance premiums. The district school board shall report annually to the Department of Education the amount of premiums paid pursuant to this paragraph. The Department of Education shall provide reimbursement to the district for the premium payments.

(d) Waiver of certain educational expenses which children of the deceased teacher or school administrator incur while obtaining a career certificate or an undergraduate education shall be according to conditions set forth in this paragraph. The amount waived by the state shall be an amount equal to the cost of tuition and matriculation and registration fees for a total of 120 credit hours at a university. The child may attend a state career center, a Florida College System institution, or a state university. The child may attend any or all of the institutions specified in this paragraph, on either a full-time or part-time basis. The benefits provided under this paragraph shall continue to the child until the child's 25th birthday.

1. Upon failure of any child benefited by the provisions of this paragraph to comply with the ordinary and minimum requirements of the institution attended, both as to discipline and scholarship, the benefits shall be withdrawn as to the child and no further moneys may be expended for the child's benefits so long as such failure or delinquency continues.

2. A student who becomes eligible for benefits under the provisions of this paragraph while enrolled in an institution must be in good standing with the institution to receive the benefits provided herein.

3. A child receiving benefits under this paragraph must be enrolled according to the customary rules and requirements of the institution attended.

(4) State funding shall be provided annually in the General Appropriations Act.

**History.**—ss. 2, 5, ch. 2001-180; s. 893, ch. 2002-387; s. 24, ch. 2004-295; s. 18, ch. 2004-357; s. 34, ch. 2012-116; s. 16, ch. 2014-17.

**112.1921 Administrative leave for law enforcement officers.**—The head of a law enforcement agency may grant administrative leave, not to exceed 8 hours, to an employee of the agency whose duties are those of a law enforcement officer, as defined in s. 943.10(1), to attend a funeral service within the state of a law enforcement officer who was killed in the line of duty. The head of the law enforcement agency may deny the use of administrative leave under this section in order to maintain minimum or adequate staffing requirements.

**History.**—s. 4, ch. 2023-145.

**112.193 Law enforcement, correctional, and correctional probation officers' commemorative service awards.**—

(1) For the purposes of this section, the term:

(a) "Employer" means a state board, commission, department, division, bureau, or agency or a county or municipality.

(b) "Law enforcement, correctional, or correctional probation officer" means any full-time, part-time, or auxiliary officer as defined in s. 943.10(14).

(2) Each employer that employs or appoints law enforcement, correctional, or correctional probation officers may present to each such employee who retires under any provision of a state or municipal retirement system, including medical disability retirement, or who is eligible to retire under any such provision but, instead, resigns from one employer to accept an elected public office, one complete uniform including the badge worn by that officer, the officer's service handgun, if one was issued as part of the officer's equipment, and an identification card clearly marked "RETIRED."

(3) Upon the death of a law enforcement, correctional, or correctional probation officer, the employer may present to the spouse or other beneficiary of the officer, upon request, one complete uniform, including the badge worn by the officer. However, if a law enforcement, correctional, or correctional probation officer is killed in the line of duty, the employer may present, upon request, to the spouse or other beneficiary of the officer the officer's service-issued handgun, if one was issued as part of the officer's equipment. If the employer is not in possession of the service-issued handgun, the employer may, within its discretion, and upon written request of the spouse or other beneficiary, present a similar handgun. The provisions of this section shall also apply in that instance to a law enforcement or correctional officer who died before May 1, 1993. In addition, the officer's service handgun may be presented by the employer for any such officer who was killed in the line of duty prior to this act becoming a law.

(4) Each uniform, badge, service handgun, and identification card presented under this section is to commemorate prior service and must be used only in such manner as the employer prescribes by rule. The provisions of this section shall also apply in that instance to a law enforcement officer who died before May 1, 1993.

**History.**—s. 1, ch. 79-335; s. 3, ch. 89-22; s. 1, ch. 93-32; s. 4, ch. 93-149.

**112.194 Law enforcement and correctional officers' Medal of Valor.—**

(1) Any state board, commission, department, division, bureau, or agency, or any county or municipality that employs or appoints law enforcement officers or correctional officers, as defined in s. 943.10(14), may establish an award program to award a Medal of Valor to any such officer whose actions are extraordinary and expose the officer to peril beyond the call of duty.

(2) The Medal of Valor may include, but is not limited to, a medal authorized to be worn on the officer's uniform during formal occasions and a commendation bar to be worn on the uniform during normal duty. The amount of funds that may be expended to provide a Medal of Valor shall not exceed \$250.

(3) Upon the death of such a law enforcement officer or correctional officer, the employer may present the Medal of Valor posthumously to the officer's closest living relative.

**History.**—s. 1, ch. 93-1.

**112.21 Tax-sheltered annuities or custodial accounts for employees of governmental agencies.**—A governmental agency, which means any state, county, local, or municipal governmental entity or any unit of government created or established by law, which is qualified under the United States Internal Revenue Code may provide, by written agreement between any such agency and any employee, to reduce the contract salary payable to such employee and, in consideration thereof, to pay an amount equal to the amount of such reduction to an insurance company licensed to do business in Florida; to a credit union, bank, or savings and loan association qualified to do business in Florida; or to a custodial account to be invested in regulated investment company stock to be held in such custodial account, as selected by the employee or employees, notwithstanding any other provision of law, with the concurrence of the employing agency, as premiums on an annuity contract issued in the name of such employee or as payment into a qualified custodial account established pursuant to s. 403(b) of the United States Internal Revenue Code.

(1) Any such annuity contract or custodial account shall be in such form, and be based upon such terms, as will qualify the payments thereon for tax deferment under the United States Internal Revenue Code. Such insurance annuity, savings, or investment products shall be underwritten and offered, in compliance with the applicable federal and state laws and regulations, by persons who are duly authorized by applicable state and federal authorities. All records identifying individual participants in any contract or account under this section and their personal account activities shall be confidential and are exempt from the provisions of s. 119.07(1).

(2) The amount of such reduction shall not exceed the amount excludable from income under s. 403(b) of the United States Internal Revenue Code and amendments and successor provisions thereto and shall be considered a part of the employee's salary for all purposes other than federal income taxation.

(3) The purchase of such tax-sheltered annuity or other investment qualified under the United States Internal Revenue Code and not prohibited under the laws of this state for an employee shall impose no liability or responsibility whatsoever on the employing agency except to show that the payments have been remitted for the purposes for which deducted.

**History.**—s. 1, ch. 74-157; s. 1, ch. 76-78; s. 2, ch. 77-295; s. 1, ch. 87-7; s. 27, ch. 90-360; s. 34, ch. 96-406.

**112.215 Government employees; deferred compensation program.—**

(1) This section shall be known and may be cited as the "Government Employees' Deferred Compensation Plan Act."

(2) For the purposes of this section, the term "government employee" means any person employed, whether appointed, elected, or under contract, by the state or any governmental unit of the state, including, but not limited to, any state agency; any county, municipality, or other political subdivision of the state; any special district or water management district, as the terms are defined in s. 189.012; any state university or Florida College System institution, as the terms are defined in <sup>1</sup>s. 1000.21(8) and (5), respectively; or any constitutional county officer under s. 1(d), Art. VIII of the State Constitution for which compensation or statutory fees are paid.

(3) In accordance with a plan of deferred compensation which has been approved as herein provided, the state or any state agency, county, municipality, other political subdivision, or constitutional county officer may, by contract or a collective bargaining agreement, agree with any employee to defer all or any portion of that employee's otherwise payable compensation and, pursuant to the terms of such approved plan and in such proportions as may be designated or directed under that plan, place such deferred compensation in savings accounts or use the same to purchase fixed or variable life insurance or annuity contracts, securities, evidence of indebtedness, or such other investment products as may have been approved for the purposes of carrying out the objectives of such plan. Such insurance, annuity, savings, or investment products shall be underwritten and offered in compliance with the applicable federal and state laws and regulations by persons who are duly authorized by applicable state and federal authorities.

(4)(a) The Chief Financial Officer, with the approval of the State Board of Administration, shall establish a state plan or plans of deferred compensation for government employees, including all such investment vehicles or products incident thereto, as may be available through, or offered by, qualified companies or persons, and may approve one or more such plans for implementation.

(b) If the Chief Financial Officer deems it advisable, he or she shall have the power, with the approval of the State Board of Administration, to create a trust or other special funds for the segregation of funds or assets resulting from compensation deferred at the request of government employees participating in the state plan for the administration of such program.

(c) The Chief Financial Officer, with the approval of the State Board of Administration, may delegate responsibility for administration of the state plan to a person the Chief Financial Officer determines to be qualified, compensate such person, and, directly or through such person or pursuant to a collective bargaining agreement, contract with a private corporation or institution to provide such services as may be part of any such plan or as may be deemed necessary or proper by the Chief Financial Officer or such person, including, but not limited to, providing consolidated billing, individual and collective recordkeeping and accountings, asset purchase, control, and safekeeping, and direct disbursement of funds to employees or other beneficiaries. The Chief Financial Officer may authorize a person, private corporation, or institution to make direct disbursement of funds under the state plan to an employee or other beneficiary.

(d) In accordance with such approved state plan, and upon contract or agreement with an eligible government employee, deferrals of compensation may be accomplished by payroll deductions made by the appropriate officer or officers of the state, with such funds being thereafter held and administered in accordance with the plan.

(e) The administrative costs of the deferred compensation plan must be wholly or partially self-funded. Fees for such self-funding of the state plan shall be paid by investment providers and may be recouped from their respective plan participants. Such fees shall be deposited in the Deferred Compensation Trust Fund.

(5) Any county, municipality, or other political subdivision of the state may by ordinance, and any constitutional county officer under s. 1(d), Art. VIII of the State Constitution may by contract agreement or other documentation constituting approval, adopt and establish for itself and its employees a deferred compensation program. The ordinance shall designate an appropriate official of the county, municipality, or political subdivision to approve and administer a deferred compensation plan or otherwise provide for such approval and administration. The ordinance shall also designate a public official or body to make the determinations provided for in paragraph (6)(b). If a constitutional county officer elects to adopt and establish for that office and its employees a deferred compensation program, the constitutional county officer shall be the appropriate official to make the determinations provided for in this subsection and in paragraph (6)(b).

(6)(a) No deferred compensation plan of the state shall become effective until approved by the State Board of Administration and the Chief Financial Officer is satisfied by opinion from such federal agency or agencies as may be deemed necessary that the compensation deferred thereunder and/or the investment products purchased pursuant to the plan will not be included in the employee's taxable income under federal or state law until it is actually received by such employee under the terms of the plan, and that such compensation will nonetheless be deemed compensation at the time of deferral for the purposes of social security coverage, for the purposes of the state retirement system, and for any other retirement, pension, or benefit program established by law.

(b) No deferred compensation plan of a county, municipality, other political subdivision, or constitutional county officer shall become effective until the appropriate official or body designated under subsection (5) is satisfied by opinion from such federal agency or agencies as may be deemed necessary that the compensation deferred thereunder and/or the investment products purchased pursuant to the plan will not be included in the employee's taxable income under federal or state law until it is actually received by such employee under the terms of the plan, and that such compensation will nonetheless be deemed compensation at the time of deferral for the purposes of social security coverage, for the purposes of the retirement system of the appropriate county, municipality, political subdivision, or constitutional county officer, and for any other retirement, pension, or benefit program established by law.

(7) The deferred compensation programs authorized by this section, and any plan approved and adopted as herein provided, shall exist and serve in addition to any other retirement, pension, or benefit systems established by the state or its agencies, counties, municipalities, other political subdivisions, or constitutional county officers and shall not supersede, make inoperative, or reduce any benefits provided by the Florida Retirement System or by another retirement, pension, or benefit program established by law. All records identifying individual participants in any plan under this section and their personal account activities shall be confidential and are exempt from the provisions of s. 119.07(1).

(8)(a) There is created a Deferred Compensation Advisory Council composed of eight members.

1. One member shall be appointed by the Speaker of the House of Representatives and the President of the Senate jointly and shall be an employee of the legislative branch.

2. One member shall be appointed by the Chief Justice of the Supreme Court and shall be an employee of the judicial branch.

3. One member shall be appointed by the chair of the Public Employees Relations Commission and shall be a nonexempt public employee.

4. The remaining five members shall be employed by the executive branch and shall be appointed as follows:

a. One member shall be appointed by the Chancellor of the State University System and shall be an employee of the university system.

b. One member shall be appointed by the Chief Financial Officer and shall be an employee of the Chief Financial Officer.

c. One member shall be appointed by the Governor and shall be an employee of the executive branch.

d. One member shall be appointed by the Executive Director of the State Board of Administration and shall be an employee of the State Board of Administration.

e. One member shall be appointed by the Chancellor of the Florida College System and shall be an employee of the Florida College System.

(b) Each member shall serve for a term of 4 years from the date of appointment, except that a vacancy shall be filled by appointment for the remainder of the term.

(c) Members shall elect a chair annually.

(d) The council shall meet at the call of its chair, at the request of a majority of its membership, or at the request of the Chief Financial Officer, but not less than twice a year. The business of the council shall be presented to the council in the form of an agenda. The agenda shall be set by the Chief Financial Officer and shall include items of business requested by the council members.

(e) A majority of the members shall constitute a quorum, and action by a majority of a quorum shall be official.

(f) The council shall make a report of each meeting to the Chief Financial Officer, which shall show the names of the members present and shall include a record of its discussions, recommendations, and actions taken. The Chief Financial Officer shall keep the records of the proceedings of each meeting on file and shall make the records available to any interested person or group.

(g) Members of the council shall serve without compensation but shall be entitled to receive reimbursement for per diem and travel expenses as provided in s. 112.061.

(h) The advisory council shall provide assistance and recommendations to the Chief Financial Officer relating to the provisions of the plan, the insurance or investment options to be offered under the plan, and any other contracts or appointments deemed necessary by the council and the Chief

Financial Officer to carry out the provisions of this act. The Chief Financial Officer shall inform the council of the manner in which each council recommendation is being addressed. The Chief Financial Officer shall provide the council, at least annually, a report on the status of the deferred compensation program, including, but not limited to, information on participant enrollment, amount of compensation deferred, total plan assets, product provider performance, and participant satisfaction with the program.

(9) The purchase of any insurance contract or annuity or the investment in another investment option under any plan of deferred compensation provided for in the United States Internal Revenue Code and not prohibited under the laws of this state for an employee shall impose no liability or responsibility whatsoever on the state, county, municipality, other political subdivision, or constitutional county officer, except to show that the payments have been remitted for the purposes for which the compensation has been deferred.

(10)(a) The moneys, pensions, annuities, or other benefits accrued or accruing to any person under the provisions of any plan providing for the deferral of compensation and the accumulated contributions and the cash and securities in the funds created thereunder are hereby exempt from any state, county, or municipal tax. They shall not be subject to execution or attachment or to any legal process whatsoever by a creditor of the employee and shall be unassignable by the employee.

(b)1. There is created in the State Treasury the Deferred Compensation Trust Fund, through which the Chief Financial Officer as trustee shall hold moneys, pensions, annuities, or other benefits accrued or accruing under and pursuant to 26 U.S.C. s. 457 and the deferred compensation plan provided for therein and adopted by this state; and

- a. All amounts of compensation deferred thereunder;
- b. All property and rights purchased with such amounts; and
- c. All income attributable to such amounts, property, or rights.

2. Notwithstanding the mandates of 26 U.S.C. s. 457(b)(6), all of the assets specified in subparagraph 1. shall be held in trust for the exclusive benefit of participants and their beneficiaries as mandated by 26 U.S.C. s. 457(g)(1).

(11) With respect to any funds held pursuant to a deferred compensation plan, any investment option provider that is a bank or savings association and that provides time deposit accounts and certificates of deposit as an investment product to the plan participants may, with the approval of the State Board of Administration for providers in the state plan, or with the approval of the appropriate official or body designated under subsection (5) for a plan of a county, municipality, other political subdivision, or constitutional county officer, be exempt from the provisions of chapter 280 requiring it to be a qualified public depository, provided:

(a) The bank or savings association shall, to the extent that the time deposit accounts or certificates of deposit are not insured by the Federal Deposit Insurance Corporation, deposit or issue collateral with the Chief Financial Officer for all state funds held by it under a deferred compensation plan, or with such other appropriate official for all public funds held by it under a deferred compensation plan of a county, municipality, other political subdivision, or constitutional county officer, in an amount which equals at least 150 percent of all uninsured deferred compensation funds then held.

(b) Said collateral shall be of the kind permitted by s. 280.13 and shall be pledged in the manner provided for by the applicable provisions of chapter 280.

The Chief Financial Officer shall have all the applicable powers provided in ss. 280.04, 280.05, and 280.08 relating to the sale or other disposition of the pledged collateral.

(12) The Chief Financial Officer may adopt any rule necessary to administer and implement this act with respect to the state deferred compensation plan or plans.

(13) When permitted by federal law, the plan administrator may provide for a pretax trustee-to-trustee transfer of amounts in a participant's deferred compensation account for the purchase of prior service credit in a public sector retirement system.

(14) This subsection may not impair an existing contract. In each county that has one or more constitutional county officers, the board of county commissioners and the constitutional county officers shall negotiate a joint deferred compensation program for all their respective employees under s. 163.01. If all parties to the negotiation cannot agree upon a joint deferred compensation program, the provisions of subsection (5) apply.



**History.**—s. 1, ch. 75-295; s. 1, ch. 76-279; s. 1, ch. 82-46; s. 1, ch. 83-43; s. 2, ch. 87-7; ss. 1, 3, 4, ch. 87-35; s. 1, ch. 87-138; s. 1, ch. 89-123; s. 28, ch. 90-360; s. 5, ch. 91-429; s. 694, ch. 95-147; s. 2, ch. 96-216; s. 35, ch. 96-406; s. 1, ch. 97-8; s. 40, ch. 99-2; s. 2, ch. 99-159; s. 40, ch. 2001-43; s. 2, ch. 2001-265; s. 126, ch. 2003-261; ss. 7, 8, ch. 2003-399; s. 3, ch. 2004-41; s. 8, ch. 2004-390; s. 3, ch. 2016-132; s. 2, ch. 2023-144.

**Note.**—Substituted by the editors for a reference to s. 1000.21(6) and (3) to conform to the redesignation of subsections in that section by s. 136, ch. 2023-8.

**112.217 Department of Highway Safety and Motor Vehicles; employees' benefit fund.**—The Department of Highway Safety and Motor Vehicles is authorized to adopt rules creating and providing for the operation of an employees' benefit fund for employees of the Department of Highway Safety and Motor Vehicles. The proceeds of the vending machines located in buildings occupied and used by the department, or such portions thereof as the department by rule may provide, shall be paid into such fund to be used for such benefits and purposes as the department by rule may provide.

**History.**—s. 1, ch. 81-37.

**112.218 Department of Highway Safety and Motor Vehicles personnel files; fees for copies.**—The Department of Highway Safety and Motor Vehicles is authorized to charge the following fees for copies of its personnel files:

- (1) Copies, per page. . . . . \$0.50.
- (2) Certified copies, per page. . . . . \$1.00.

Fees collected pursuant to this section shall be deposited in the General Revenue Fund.

**History.**—s. 1, ch. 82-130.

**112.219 Substitution of work experience for postsecondary educational requirements.**—

(1) The head of a public employer may elect to substitute verifiable, related work experience in lieu of postsecondary educational requirements for a position of employment if the person seeking the position of employment is otherwise qualified for such position.

(2) Related work experience may not substitute for any required licensure, certification, or registration required for the position of employment as established by the public employer and indicated in the advertised description of the position of employment.

(3) If the head of a public employer elects to substitute related work experience for postsecondary educational requirements, the public employer must, in all advertisements for the position of employment made by the public employer, include a notice that such substitution is authorized and a description of the related work experience equivalencies that may be substituted for the required postsecondary education.

(4) This section does not abridge state and federal laws and regulations governing equal opportunity employment.

(5) For purposes of this section, the term:

(a) "Postsecondary degree" means an associate degree, a bachelor's degree, or a graduate degree from an accredited college or university.

(b) "Public employer" has the same meaning as in s. 448.095.

(6) A public employer may include a postsecondary degree as a baseline requirement only as an alternative to the number of years of direct experience required, not to exceed:

- (a) Two years of direct experience for an associate degree;
- (b) Four years of direct experience for a bachelor's degree;
- (c) Six years of direct experience for a master's degree;
- (d) Seven years of direct experience for a professional degree; or
- (e) Nine years of direct experience for a doctoral degree.

**History.**—s. 1, ch. 2022-184; s. 2, ch. 2023-256.

**112.22 Use of applications from foreign countries of concern prohibited.**—

(1) As used in this section, the term:

(a) "Department" means the Department of Management Services.

(b) "Employee or officer" means a person who performs labor or services for a public employer in exchange for salary, wages, or other remuneration.

(c) "Foreign country of concern" means the People's Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolás Maduro, or the Syrian Arab Republic, including any agency of or any other entity under significant control of such foreign country of concern.

(d) "Foreign principal" means:

- 1. The government or an official of the government of a foreign country of concern;

2. A political party or a member of a political party or any subdivision of a political party in a foreign country of concern;

3. A partnership, an association, a corporation, an organization, or another combination of persons organized under the laws of or having its principal place of business in a foreign country of concern, or an affiliate or a subsidiary thereof; or

4. Any person who is domiciled in a foreign country of concern and is not a citizen or a lawful permanent resident of the United States.

(e) "Government-issued device" means a cellular telephone, desktop computer, laptop computer, computer tablet, or other electronic device capable of connecting to the Internet which is owned or leased by a public employer and issued to an employee or officer for work-related purposes.

(f) "Prohibited application" means an application that meets the following criteria:

1. Any Internet application that is created, maintained, or owned by a foreign principal and that participates in activities that include, but are not limited to:

- a. Collecting keystrokes or sensitive personal, financial, proprietary, or other business data;
- b. Compromising e-mail and acting as a vector for ransomware deployment;
- c. Conducting cyber-espionage against a public employer;
- d. Conducting surveillance and tracking of individual users; or
- e. Using algorithmic modifications to conduct disinformation or misinformation campaigns; or

2. Any Internet application the department deems to present a security risk in the form of unauthorized access to or temporary unavailability of the public employer's records, digital assets, systems, networks, servers, or information.

(g) "Public employer" means the state or any agency, authority, branch, bureau, commission, department, division, special district, institution, university, institution of higher education, or board thereof; or any county, district school board, charter school governing board, or municipality, or any agency, branch, department, board, or metropolitan planning organization thereof.

(2)(a) A public employer shall do all of the following:

1. Block all prohibited applications from public access on any network and virtual private network that it owns, operates, or maintains.
2. Restrict access to any prohibited application on a government-issued device.
3. Retain the ability to remotely wipe and uninstall any prohibited application from a government-issued device that is believed to have been adversely impacted, either intentionally or unintentionally, by a prohibited application.

(b) A person, including an employee or officer of a public employer, may not download or access any prohibited application on any government-issued device.

1. This paragraph does not apply to a law enforcement officer as defined in s. 943.10(1) if the use of the prohibited application is necessary to protect the public safety or conduct an investigation within the scope of his or her employment.

2. A public employer may request a waiver from the department to allow designated employees or officers to download or access a prohibited application on a government-issued device.

(c) Within 15 calendar days after the department issues or updates its list of prohibited applications pursuant to paragraph (3)(a), an employee or officer of a public employer who uses a government-issued device must remove, delete, or uninstall any prohibited applications from his or her government-issued device.

(3) The department shall do all of the following:

(a) Compile and maintain a list of prohibited applications and publish the list on its website. The department shall update this list quarterly and shall provide notice of any update to public employers.

(b) Establish procedures for granting or denying requests for waivers pursuant to subparagraph (2)(b)2. The request for a waiver must include all of the following:

1. A description of the activity to be conducted and the state interest furthered by the activity.
2. The maximum number of government-issued devices and employees or officers to which the waiver will apply.

3. The length of time necessary for the waiver. Any waiver granted pursuant to subparagraph (2)(b)2. must be limited to a timeframe of no more than 1 year, but the department may approve an extension.

4. Risk mitigation actions that will be taken to prevent access to sensitive data, including methods to ensure that the activity does not connect to a state system, network, or server.

5. A description of the circumstances under which the waiver applies.

(4)(a) Notwithstanding s. 120.74(4) and (5), the department is authorized, and all conditions are deemed met, to adopt emergency rules pursuant to s. 120.54(4) and to implement paragraph (3)(a). Such rulemaking must occur initially by filing emergency rules within 30 days after July 1, 2023.

(b) The department shall adopt rules necessary to administer this section.

**History.**—s. 1, ch. 2023-32.

**112.23 Government-directed content moderation of social media platforms prohibited.—**

(1) As used in this section, the term:

(a) “Governmental entity” means any officer or employee of a state, county, district, authority, municipality, department, agency, division, board, bureau, commission, or other separate unit of government created or established by law, and includes any other public or private entity acting on behalf of such governmental entity.

(b) “Social media platform” means a form of electronic communication through which users create online communities or groups to share information, ideas, personal messages, and other content.

(2) A governmental entity may not communicate with a social media platform to request that it remove content or accounts from the social media platform.

(3) A governmental entity may not initiate or maintain any agreements or working relationships with a social media platform for the purpose of content moderation.

(4) Subsections (2) and (3) do not apply if the governmental entity or an officer or an employee acting on behalf of a governmental entity is acting as part of any of the following:

(a) Routine account management of the governmental entity’s account, including, but not limited to, the removal or revision of the governmental entity’s content or account or identification of accounts falsely posing as a governmental entity, officer, or salaried employee.

(b) An attempt to remove content that pertains to the commission of a crime or violation of this state’s public records law.

(c) An attempt to remove an account that pertains to the commission of a crime or violation of this state’s public records law.

(d) An investigation or inquiry related to an effort to prevent imminent bodily harm, loss of life, or property damage.

**History.**—s. 1, ch. 2023-201.

**PART II  
INTERCHANGE OF PERSONNEL  
BETWEEN GOVERNMENTS**

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112.30 Status of employees of other governments.

112.31 Travel expenses of employees of other governments.

**112.24 Intergovernmental interchange of public employees.**—To encourage economical and effective utilization of public employees in this state, the temporary assignment of employees among agencies of government, both state and local, and including school districts and public institutions of higher education is authorized under terms and conditions set forth in this section. State agencies, municipalities, and political subdivisions are authorized to enter into employee interchange agreements with other state agencies, the Federal Government, another state, a municipality, or a political subdivision including a school district, or with a public institution of higher education. State agencies are also authorized to enter into employee interchange agreements with private institutions of higher education and other nonprofit organizations under the terms and conditions provided in this section. In addition, the Governor or the Governor and Cabinet may enter into employee interchange agreements with a state agency, the Federal Government, another state, a municipality, or a political subdivision including a school district, or with a public institution of higher learning to fill, subject to the requirements of chapter 20, appointive offices which are within the executive branch of



government and which are filled by appointment by the Governor or the Governor and Cabinet. Under no circumstances shall employee interchange agreements be utilized for the purpose of assigning individuals to participate in political campaigns. Duties and responsibilities of interchange employees shall be limited to the mission and goals of the agencies of government.

(1) Details of an employee interchange program shall be the subject of an agreement, which may be extended or modified, between a sending party and a receiving party. State agencies shall report such agreements and any extensions or modifications thereto to the Department of Management Services.

(2) The period of an individual's assignment or detail under an employee interchange program shall not exceed 2 years. Upon agreement of the sending party and the receiving party and under the same or modified terms, an assignment or detail of 2 years may be extended by 3 months. However, agreements relating to faculty members of the State University System may be extended biennially upon approval by the Department of Management Services. If the appointing agency is the Governor or the Governor and Cabinet, the period of an individual's assignment or detail under an employee interchange program shall not exceed 2 years plus an extension of 3 months or the number of years left in the term of office of the Governor, whichever is less.

(3) Salary, leave, travel and transportation, and reimbursements for an employee of a sending party that is participating in an interchange program shall be handled as follows:

(a) An employee of a sending party who is participating in an interchange agreement may be considered as on detail to regular work assignments of the sending party or in a leave status from the sending party except that the receiving agency shall pay the salary and benefits of such employee during the time, in excess of 1 week, that the employee is working for the receiving agency. However, an employee of a sending party who is participating in an interchange agreement pursuant to s. 10, chapter 91-429, Laws of Florida, shall be considered as on detail to regular work assignments of the sending party, and the sending party shall reimburse the receiving agency for the salary and benefits and expenses of such employee and any other direct costs of conducting the inspections during the time the employee is working for the receiving agency.

1. If on detail, an employee shall receive the same salary and benefits as if he or she were not on detail and shall remain the employee of the sending party for all purposes except that supervision during the period of detail may be governed by the interchange agreement.

2. If on leave, an employee shall have the same rights, benefits, and obligations as other employees in a leave status subject to exceptions provided in rules for state employees issued by the department or the rules or other decisions of the governing body of the municipality or political subdivision.

(b) The assignment of an employee of a state agency on detail or on leave of absence may be made without reimbursement by the receiving party for the travel and transportation expenses to or from the place of the assignment or for the pay and benefits, or a part thereof, of the employee during the assignment.

(c) If the rate of pay for an employee of an agency of the state on temporary assignment or on leave of absence is less than the rate of pay he or she would have received had the employee continued in his or her regular position, such employee is entitled to receive supplemental pay from the sending party in an amount equal to such difference.

(d) Any employee who participates in an exchange under the terms of this section who suffers disability or death as a result of personal injury arising out of and in the course of an exchange, or sustained in performance of duties in connection therewith, shall be treated, for the purposes of the sending party's employee compensation program, as an employee who sustained injury in the performance of duty, but shall not receive benefits under such program for any period for which the employee is entitled to, and elects to receive, similar benefits under the receiving party's employee compensation program.

(e) A sending party in this state may, in accordance with the travel regulations of such party, pay the travel expenses of an employee who is assigned to a receiving party on either detail or leave basis, but shall not pay the travel expenses of such an employee incurred in connection with work assignments at the receiving party. If the assignment or detail will exceed 8 months, travel expenses may include expenses to transport immediate family, household goods, and personal effects to and

from the location of the receiving party. If the period of assignment is 3 months or less, the sending party may pay a per diem allowance to the employee on assignment or detail.

(4)(a) When any agency, municipality, or political subdivision of this state acts as a receiving party, an employee of the sending party who is assigned under authority of this section may be given appointments by the receiving party covering the periods of such assignments, with compensation to be paid from the receiving party's funds, or without compensation, or be considered to be on detail to the receiving party.

(b) Appointments of persons so assigned may be made without regard to the laws or regulations governing the selection of employees of the receiving party.

(c) During the period of an assignment, the employee who is detailed to the receiving party shall not by virtue of such detail be considered an employee of the receiving party, except as provided in paragraph (d), nor shall the employee be paid a wage or salary by the receiving party. The supervision of an employee during the period of the detail may be governed by agreement between the sending party and the receiving party. A detail of an employee to a state agency may be made with or without reimbursement to the sending party by the receiving party for the pay and benefits, or a part thereof, of the employee during the period of the detail.

(d) If the sending party of an employee assigned to an agency, municipality, or political subdivision of this state fails to continue making the employer's contribution to the retirement, life insurance, and health benefit plans for that employee, the receiving party of this state may make the employer's contribution covering the period of the assignment or any part thereof.

(e) Any employee of a sending party assigned in this state who suffers disability or death as a result of personal injury arising out of and in the course of such assignment, or sustained in the performance of duties in connection therewith, shall be treated for the purpose of the receiving party's employee compensation program, as an employee who has sustained injury in the performance of duty, but shall not receive benefits under such program for any period for which he or she elects to receive similar benefits as an employee under the sending party's employee compensation program.

(f) A receiving party in this state may, in accordance with the travel regulations of such party, pay travel expenses of persons assigned thereto during the period of such assignments on the same basis as if they were regular employees of the receiving party.

(5) An agency may enter into agreements with private institutions of higher education in this state as the sending or receiving party as specified in subsections (3) and (4).

**History.**—s. 149, ch. 79-190; s. 1, ch. 85-1; s. 2, ch. 88-557; s. 1, ch. 89-315; s. 19, ch. 89-367; s. 43, ch. 92-279; s. 55, ch. 92-326; s. 695, ch. 95-147; s. 33, ch. 96-399; s. 2, ch. 98-331; s. 14, ch. 2008-153; s. 50, ch. 2009-82; s. 57, ch. 2010-153; s. 61, ch. 2011-47; s. 40, ch. 2012-119; s. 39, ch. 2013-41; s. 53, ch. 2014-53; s. 75, ch. 2015-222; s. 114, ch. 2016-62; s. 53, ch. 2017-71; s. 80, ch. 2018-10; s. 107, ch. 2019-116; s. 99, ch. 2020-114; s. 2, ch. 2022-5.

**112.25 Declaration of policy.**—The state recognizes that intergovernmental cooperation is an essential factor in resolving problems affecting this state and that the interchange of personnel between and among governmental agencies at the same or different levels of government is a significant factor in achieving such cooperation.

**History.**—s. 1, ch. 65-524.

**112.26 Definitions.**—For the purposes of this part, the following words and phrases have the meanings ascribed to them in this section:

(1) "Receiving agency" means any department or agency of the federal government or a state government which receives an employee of another government under this part.

(2) "Sending agency" means any department or agency of the federal government or a state government which sends any employee thereof to another government agency under this part.

**History.**—s. 2, ch. 65-524; s. 34, ch. 2023-8.

**112.27 Authority to interchange employees.**—

(1) Any department, agency, or instrumentality of the state is authorized to participate in a program of interchange of employees with departments, agencies, or instrumentalities of the state, the Federal Government, or another state, as a sending or receiving agency.

(2) The period of individual assignment or detail under an interchange program shall not exceed 12 months, nor shall any person be assigned or detailed for more than 12 months during any 36-month period. Details relating to any matter covered in this part may be the subject of an agreement between the sending and receiving agencies. Elected officials shall not be assigned from a sending agency nor detailed to a receiving agency.

**History.**—s. 3, ch. 65-524; s. 3, ch. 98-331.

**112.28 Status of employees of this state.—**

(1) Employees of a sending agency participating in an exchange of personnel as authorized in s. 112.27 may be considered during such participation to be on detail to regular work assignments of the sending agency.

(2) Employees who are on detail shall be entitled to the same salary and benefits to which they would otherwise be entitled and shall remain employees of the sending agency for all other purposes except that the supervision of their duties during the period of detail may be governed by agreement between the sending agency and the receiving agency.

(3) Any employee who participates in an exchange under the terms of this section who suffers disability or death as a result of personal injury arising out of and in the course of an exchange, or sustained in performance of duties in connection therewith, shall be treated, for the purposes of the sending agency's employee compensation program, as an employee, as defined in such act, who has sustained such injury in the performance of such duty, but shall not receive benefits under that act for any period for which he or she is entitled to and elects to receive similar benefits under the receiving agency's employee compensation program.

**History.**—s. 4, ch. 65-524; s. 696, ch. 95-147.

**112.29 Travel expenses of employees of this state.—**A sending agency in this state may, in accordance with the travel regulations of such agency, pay the travel expenses of employees assigned to a receiving agency on either a detail or leave basis, but shall not pay the travel expenses of such employees incurred in connection with their work assignments at the receiving agency. During the period of assignment, the sending agency may pay a per diem allowance to the employee on assignment or detail.

**History.**—s. 5, ch. 65-524.

**112.30 Status of employees of other governments.—**

(1) When any unit of government of this state acts as a receiving agency, employees of the sending agency who are assigned under authority of this part may be considered to be on detail to the receiving agency.

(2) Appointments of persons so assigned may be made without regard to the laws or regulations governing the selection of employees of the receiving agency. Such person shall be in the unclassified service of the state.

(3) Employees who are detailed to the receiving agency shall not by virtue of such detail be considered to be employees thereof, except as provided in subsection (4), nor shall they be paid a salary or wage by the receiving agency during the period of their detail. The supervision of the duties of such employees during the period of detail may be governed by agreement between the sending agency and the receiving agency.

(4) Any employee of a sending agency assigned in this state who suffers disability or death as a result of personal injury arising out of and in the course of such assignment, or sustained in the performance of duties in connection therewith, shall be treated for the purpose of sending agency's employee compensation program, as an employee, as defined in such act, who has sustained such injury in the performance of such duty, but shall not receive benefits under that act for any period for which he or she elects to receive similar benefits as an employee under the receiving agency's employee compensation program.

**History.**—s. 6, ch. 65-524; s. 697, ch. 95-147.

**112.31 Travel expenses of employees of other governments.—**A receiving agency in this state may, in accordance with the travel regulations of such agency, pay travel expenses of persons assigned thereto under this part during the period of such assignments on the same basis as if they were regular employees of the receiving agency.

**History.**—s. 7, ch. 65-524.

**PART III  
CODE OF ETHICS FOR  
PUBLIC OFFICERS AND EMPLOYEES**

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**112.311 Legislative intent and declaration of policy.—**

(1) It is essential to the proper conduct and operation of government that public officials be independent and impartial and that public office not be used for private gain other than the remuneration provided by law. The public interest, therefore, requires that the law protect against any conflict of interest and establish standards for the conduct of elected officials and government employees in situations where conflicts may exist.

(2) It is also essential that government attract those citizens best qualified to serve. Thus, the law against conflict of interest must be so designed as not to impede unreasonably or unnecessarily the recruitment and retention by government of those best qualified to serve. Public officials should not be denied the opportunity, available to all other citizens, to acquire and retain private economic interests except when conflicts with the responsibility of such officials to the public cannot be avoided.

(3) It is likewise essential that the people be free to seek redress of their grievances and express their opinions to all government officials on current issues and past or pending legislative and executive actions at every level of government. In order to preserve and maintain the integrity of the governmental process, it is necessary that the identity, expenditures, and activities of those persons who regularly engage in efforts to persuade public officials to take specific actions, either by direct communication with such officials or by solicitation of others to engage in such efforts, be regularly disclosed to the people.

(4) It is the intent of this act to implement these objectives of protecting the integrity of government and of facilitating the recruitment and retention of qualified personnel by prescribing restrictions against conflicts of interest without creating unnecessary barriers to public service.

(5) It is hereby declared to be the policy of the state that no officer or employee of a state agency or of a county, city, or other political subdivision of the state, and no member of the Legislature or legislative employee, shall have any interest, financial or otherwise, direct or indirect; engage in any business transaction or professional activity; or incur any obligation of any nature which is in substantial conflict with the proper discharge of his or her duties in the public interest. To implement this policy and strengthen the faith and confidence of the people of the state in their government, there is enacted a code of ethics setting forth standards of conduct required of state, county, and city officers and employees, and of officers and employees of other political subdivisions of the state, in the performance of their official duties. It is the intent of the Legislature that this code shall serve not only as a guide for the official conduct of public servants in this state, but also as a basis for discipline of those who violate the provisions of this part.

(6) It is declared to be the policy of the state that public officers and employees, state and local, are agents of the people and hold their positions for the benefit of the public. They are bound to uphold the Constitution of the United States and the State Constitution and to perform efficiently and faithfully their duties under the laws of the federal, state, and local governments. Such officers and employees are bound to observe, in their official acts, the highest standards of ethics consistent with this code and the advisory opinions rendered with respect hereto regardless of personal considerations, recognizing that promoting the public interest and maintaining the respect of the people in their government must be of foremost concern.

**History.**—s. 1, ch. 67-469; s. 1, ch. 69-335; s. 1, ch. 74-177; s. 2, ch. 75-208; s. 698, ch. 95-147.

**112.312 Definitions.**—As used in this part and for purposes of the provisions of s. 8, Art. II of the State Constitution, unless the context otherwise requires:

(1) “Advisory body” means any board, commission, committee, council, or authority, however selected, whose total budget, appropriations, or authorized expenditures constitute less than 1 percent of the budget of each agency it serves or \$100,000, whichever is less, and whose powers, jurisdiction, and authority are solely advisory and do not include the final determination or adjudication of any personal or property rights, duties, or obligations, other than those relating to its internal operations.

(2) “Agency” means any state, regional, county, local, or municipal government entity of this state, whether executive, judicial, or legislative; any department, division, bureau, commission,



authority, or political subdivision of this state therein; any public school, community college, or state university; or any special district as defined in s. 189.012.

(3) “Breach of the public trust” means a violation of a provision of the State Constitution or this part which establishes a standard of ethical conduct, a disclosure requirement, or a prohibition applicable to public officers or employees in order to avoid conflicts between public duties and private interests, including, without limitation, a violation of s. 8, Art. II of the State Constitution or of this part.

(4) “Business associate” means any person or entity engaged in or carrying on a business enterprise with a public officer, public employee, or candidate as a partner, joint venturer, corporate shareholder where the shares of such corporation are not listed on any national or regional stock exchange, or co-owner of property.

(5) “Business entity” means any corporation, partnership, limited partnership, company, limited liability company, proprietorship, firm, enterprise, franchise, association, self-employed individual, or trust, whether fictitiously named or not, doing business in this state.

(6) “Candidate” means any person who has filed a statement of financial interest and qualification papers, has subscribed to the candidate’s oath as required by s. 99.021, and seeks by election to become a public officer. This definition expressly excludes a committeeman or committeewoman regulated by chapter 103 and persons seeking any other office or position in a political party.

(7) “Commission” means the Commission on Ethics created by s. 112.320 or any successor to which its duties are transferred.

(8) “Conflict” or “conflict of interest” means a situation in which regard for a private interest tends to lead to disregard of a public duty or interest.

(9) “Corruptly” means done with a wrongful intent and for the purpose of obtaining, or compensating or receiving compensation for, any benefit resulting from some act or omission of a public servant which is inconsistent with the proper performance of his or her public duties.

(10) “Disclosure period” means the calendar year, if disclosure is required for the entire year, or the portion of a calendar year ending with the last day of the period for which disclosure is required.

(11) “Facts materially related to the complaint at issue” means facts which tend to show a violation of this part or s. 8, Art. II of the State Constitution by the alleged violator other than those alleged in the complaint and consisting of separate instances of the same or similar conduct as alleged in the complaint, or which tend to show an additional violation of this part or s. 8, Art. II of the State Constitution by the alleged violator which arises out of or in connection with the allegations of the complaint.

(12)(a) “Gift,” for purposes of ethics in government and financial disclosure required by law, means that which is accepted by a donee or by another on the donee’s behalf, or that which is paid or given to another for or on behalf of a donee, directly, indirectly, or in trust for the donee’s benefit or by any other means, for which equal or greater consideration is not given within 90 days, including:

1. Real property.
2. The use of real property.
3. Tangible or intangible personal property.
4. The use of tangible or intangible personal property.
5. A preferential rate or terms on a debt, loan, goods, or services, which rate is below the customary rate and is not either a government rate available to all other similarly situated government employees or officials or a rate which is available to similarly situated members of the public by virtue of occupation, affiliation, age, religion, sex, or national origin.
6. Forgiveness of an indebtedness.
7. Transportation, other than that provided to a public officer or employee by an agency in relation to officially approved governmental business, lodging, or parking.
8. Food or beverage.
9. Membership dues.
10. Entrance fees, admission fees, or tickets to events, performances, or facilities.
11. Plants, flowers, or floral arrangements.
12. Services provided by persons pursuant to a professional license or certificate.
13. Other personal services for which a fee is normally charged by the person providing the services.

14. Any other similar service or thing having an attributable value not already provided for in this section.

(b) "Gift" does not include:

1. Salary, benefits, services, fees, commissions, gifts, or expenses associated primarily with the donee's employment, business, or service as an officer or director of a corporation or organization.

2. Except as provided in s. 112.31485, contributions or expenditures reported pursuant to chapter 106, contributions or expenditures reported pursuant to federal election law, campaign-related personal services provided without compensation by individuals volunteering their time, or any other contribution or expenditure by a political party or affiliated party committee.

3. An honorarium or an expense related to an honorarium event paid to a person or the person's spouse.

4. An award, plaque, certificate, or similar personalized item given in recognition of the donee's public, civic, charitable, or professional service.

5. An honorary membership in a service or fraternal organization presented merely as a courtesy by such organization.

6. The use of a public facility or public property, made available by a governmental agency, for a public purpose.

7. Transportation provided to a public officer or employee by an agency in relation to officially approved governmental business.

8. Gifts provided directly or indirectly by a state, regional, or national organization which promotes the exchange of ideas between, or the professional development of, governmental officials or employees, and whose membership is primarily composed of elected or appointed public officials or staff, to members of that organization or officials or staff of a governmental agency that is a member of that organization.

(c) For the purposes of paragraph (a), "intangible personal property" means property as defined in s. 192.001(11)(b).

(d) For the purposes of paragraph (a), the term "consideration" does not include a promise to pay or otherwise provide something of value unless the promise is in writing and enforceable through the courts.

(13) "Indirect" or "indirect interest" means an interest in which legal title is held by another as trustee or other representative capacity, but the equitable or beneficial interest is held by the person required to file under this part.

(14) "Liability" means any monetary debt or obligation owed by the reporting person to another person, entity, or governmental entity, except for credit card and retail installment accounts, taxes owed unless reduced to a judgment, indebtedness on a life insurance policy owed to the company of issuance, contingent liabilities, or accrued income taxes on net unrealized appreciation. Each liability which is required to be disclosed by s. 8, Art. II of the State Constitution shall identify the name and address of the creditor.

(15) "Material interest" means direct or indirect ownership of more than 5 percent of the total assets or capital stock of any business entity. For the purposes of this act, indirect ownership does not include ownership by a spouse or minor child.

(16) "Materially affected" means involving an interest in real property located within the jurisdiction of the official's agency or involving an investment in a business entity, a source of income or a position of employment, office, or management in any business entity located within the jurisdiction or doing business within the jurisdiction of the official's agency which is or will be affected in a substantially different manner or degree than the manner or degree in which the public in general will be affected or, if the matter affects only a special class of persons, then affected in a substantially different manner or degree than the manner or degree in which such class will be affected.

(17) "Ministerial matter" means action that a person takes in a prescribed manner in obedience to the mandate of legal authority, without the exercise of the person's own judgment or discretion as to the propriety of the action taken.

(18) "Parties materially related to the complaint at issue" means any other public officer or employee within the same agency as the alleged violator who has engaged in the same conduct as that alleged in the complaint, or any other public officer or employee who has participated with the alleged violator in the alleged violation as a coconspirator or as an aider and abettor.

(19) “Person or business entities provided a grant or privilege to operate” includes state and federally chartered banks, state and federal savings and loan associations, cemetery companies, insurance companies, mortgage companies, credit unions, small loan companies, alcoholic beverage licensees, pari-mutuel wagering companies, utility companies, and entities controlled by the Public Service Commission or granted a franchise to operate by either a city or county government.

(20) “Purchasing agent” means a public officer or employee having the authority to commit the expenditure of public funds through a contract for, or the purchase of, any goods, services, or interest in real property for an agency, as opposed to the authority to request or requisition a contract or purchase by another person.

(21) “Relative,” unless otherwise specified in this part, means an individual who is related to a public officer or employee as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, grandparent, great grandparent, grandchild, great grandchild, step grandparent, step great grandparent, step grandchild, step great grandchild, person who is engaged to be married to the public officer or employee or who otherwise holds himself or herself out as or is generally known as the person whom the public officer or employee intends to marry or with whom the public officer or employee intends to form a household, or any other natural person having the same legal residence as the public officer or employee.

(22) “Represent” or “representation” means actual physical attendance on behalf of a client in an agency proceeding, the writing of letters or filing of documents on behalf of a client, and personal communications made with the officers or employees of any agency on behalf of a client.

(23) “Source” means the name, address, and description of the principal business activity of a person or business entity.

(24) “Value of real property” means the most recently assessed value in lieu of a more current appraisal.

**History.**—s. 2, ch. 67-469; ss. 11, 12, ch. 68-35; s. 8, ch. 69-353; s. 2, ch. 74-177; s. 1, ch. 75-196; s. 1, ch. 75-199; s. 3, ch. 75-208; s. 4, ch. 76-18; s. 1, ch. 77-174; s. 2, ch. 82-98; s. 1, ch. 83-282; s. 2, ch. 90-502; s. 2, ch. 91-85; s. 3, ch. 91-292; s. 699, ch. 95-147; s. 1, ch. 96-328; s. 1, ch. 2000-243; ss. 28, 30, ch. 2011-6; s. 75, ch. 2011-40; HJR 7105, 2011 Regular Session; s. 1, ch. 2013-36; s. 3, ch. 2014-22; s. 2, ch. 2019-97.

**112.3121 Definitions.**—As used in this section and for purposes of implementing s. 8(f), Art. II of the State Constitution, the term:

(1) “Administrative action” means any process or decision regulated by chapter 120 or, for a state government body or agency or a political subdivision not subject to chapter 120, any action or a decision on a license, permit, waiver of regulation, development order or permit, or development agreement; any quasi-judicial proceeding on local government land use matters regulated by s. 286.0115(2); any decision subject to judicial review by petition for writ of certiorari or as otherwise prescribed by general law; or any other administrative procedure or procedure governed by existing law, ordinance, rule, or regulation, except on an issue of procurement.

(2) “Compensation” means a payment, a distribution, a loan, an advance, a reimbursement, a deposit, a salary, a fee, a retainer, or anything of value provided or owed to a recipient, directly or indirectly, from any source for lobbying activity.

(3) “Elected special district officer in a special district with ad valorem taxing authority” means an officer elected by the qualified electors of a special district, or appointed to fill an unexpired term of such officer, and does not include an officer elected by landowners when an election by qualified electors is a condition precedent to the exercise of the ad valorem taxing authority under s. 190.006(3). If such condition precedent does not apply, the term “elected special district officer in a special district with ad valorem taxing authority” means an officer elected by any method prescribed by law for a special district with ad valorem taxing authority.

(4) “Executive director” means the chief administrative employee or officer of a department headed by a board or by the Governor and Cabinet.

(5) “Federal government” means the United States Congress, any federal executive branch department, office, agency, or instrumentality, corporate or otherwise, or any federal independent agency, including any unit thereof.

(6) “Governmental entity” means a state government body or agency, the Legislature, a political subdivision, or the federal government.



(7) “Issue of appropriation” means a legislative decision to expend or approve an expenditure of public funds, including decisions that are delegated to an administrator.

(8) “Issue of policy” means a change in a law or an ordinance or a decision, plan, or course of action designed to influence or determine the subsequent decisions or actions of a governmental entity, to sell or otherwise divest public property, or to regulate conduct. The term does not include a decision or determination of any rights, duties, or obligations made on a case-by-case basis.

(9) “Issue of procurement” means a proposal to purchase or acquire property, an interest in property, or services by a governmental entity.

(10) “Legislative action” means introduction, sponsorship, testimony, debate, voting, or any other official action on a measure, a resolution, an amendment, a nomination, an appointment, a report, or an other matter.

(11)(a) “Lobby” means to influence or attempt to influence an action or decision through oral, written, or electronic communication and, with respect to:

1. A state government body or agency, is limited to influencing decisions, other than administrative action, that are vested in or delegated to the state government body or agency, or an officer thereof;

2. The Legislature or other body that is vested with legislative power or the power to propose revisions to the State Constitution, is limited to influencing a procurement decision or any legislative action or nonaction by either the Senate or the House of Representatives, or any committee or office thereof, or by such other body or a committee or office thereof;

3. A political subdivision, is limited to influencing legislative actions or other discretionary decisions, but does not include administrative actions; or

4. The federal government, is limited to influencing a decision of the legislative or executive branch of the United States government for which registration as a lobbyist is required.

(b) The term “lobby” does not mean any of the following:

1. Providing or seeking to provide confidential information to be used for law enforcement purposes.

2. Appearing as a witness to provide information at the written request of the chair of a legislative body or committee, including a legislative delegation meeting.

3. Appearing or offering written testimony under oath as an expert witness in any proceeding for any purpose related to the proceeding and communications related to such testimony.

(12)(a) “Lobby for compensation” means being employed or contracting for compensation, for the purpose of lobbying, and includes being principally employed for governmental affairs to lobby on behalf of a person or governmental entity.

(b) The term “lobby for compensation” does not include any of the following:

1. A public officer carrying out the duties of his or her public office.

2. A public or private employee, including an officer of a private business, nonprofit entity, or governmental entity, acting in the normal course of his or her duties, unless he or she is principally employed for governmental affairs.

3. Advice or services to a governmental entity pursuant to a contractual obligation with the governmental entity.

4. Representation of a person on a legal claim cognizable in a court of law, in an administrative proceeding, or in front of an adjudicatory body, including representation during prelitigation offers, demands, and negotiations, but excluding representation on a claim bill pending in the Legislature.

5. Representation of a person in any proceeding on a complaint or other allegation that could lead to discipline or other adverse action against the person.

6. Representation of a person with respect to a subpoena or other legal process.

(13) “Other agency head” means the chief administrative employee or officer of a department that is not headed by an executive director or secretary.

(14) “Political subdivision” means a county, municipality, school district, special district with ad valorem taxing authority, or any agency or unit thereof.

(15) “Principally employed for governmental affairs” means that the principal or most significant responsibility of the employee is to oversee the employer’s various relationships with governmental entities or representing the employer in its contacts with governmental entities.

(16) “Secretary” means the head of a department who is appointed by the Governor.

(17) “State government body or agency” means any department, agency, commission, council, board, or instrumentality created by the State Constitution or established by general law and any official or officer thereof. The term includes, but is not limited to, a state attorney, a public defender, a criminal conflict and civil regional counsel, and a capital collateral regional counsel.

History.—s. 1, ch. 2022-140.

**112.3122 Enforcement and penalties for constitutional prohibition against lobbying by a public officer.—**

(1) Section 8(f), Art. II of the State Constitution applies to persons serving as public officers on or after December 31, 2022.

(2) For purposes of administrative enforcement, a violation of s. 8(f), Art. II of the State Constitution is deemed a violation of this part.

(3) If the commission finds that there has been a violation of s. 8(f)(3), Art. II of the State Constitution, the commission must report its findings and recommendations for appropriate action to the Governor, who has the power to invoke any of the penalties under subsection (4).

(4) A violation of s. 8(f), Art. II of the State Constitution may be punished by one or more of the following:

(a) Public censure and reprimand.

(b) A civil penalty not to exceed \$10,000.

(c) Forfeiture of any pecuniary benefits received for conduct that violates this section. The amount of the pecuniary benefits must be paid to the General Revenue Fund.

(5) The Attorney General and Chief Financial Officer are independently authorized to collect any penalty imposed under this section.

History.—s. 2, ch. 2022-140.

**112.3123 Definitions.—**As used in this section and for purposes of implementing s. 13(b), Art. V of the State Constitution, the term:

(1) “Administrative action” means any process or decision regulated by chapter 120 or, for agencies of the executive branch of state government not subject to chapter 120, any action or a decision on a license, permit, waiver of regulation, or any other administrative procedure or procedure governed by existing law, rule, or regulation, except on an issue of procurement.

(2) “Compensation” means a payment, a distribution, a loan, an advance, a reimbursement, a deposit, a salary, a fee, a retainer, or anything of value provided or owed to a recipient, directly or indirectly, from any source for lobbying activity.

(3) “Governmental entity” means an officer or agency of the executive or legislative branches of state government.

(4) “Issue of appropriation” means a legislative decision to expend or approve an expenditure of public funds, including decisions that are delegated to an administrator.

(5) “Issue of policy” means a change in a law or a decision, plan, or course of action designed to influence or determine the subsequent decisions or actions of a governmental entity, to sell or otherwise divest public property, or to regulate conduct. The term does not include a decision or determination of any rights, duties, or obligations made on a case-by-case basis.

(6) “Issue of procurement” means a proposal to purchase or acquire property, an interest in property, or services by a governmental entity.

(7) “Legislative action” means introduction, sponsorship, testimony, debate, voting, or any other official action on a measure, a resolution, an amendment, a nomination, an appointment, a report, or an other matter.

(8)(a) “Lobby” means to influence or attempt to influence an action or decision through oral, written, or electronic communication and, with respect to:

1. The executive branch of state government, is limited to influencing decisions, other than administrative action, that are vested in or delegated to an agency or officer thereof.

2. The legislative branch of state government, is limited to influencing a procurement decision or any legislative action or nonaction by either the Senate or the House of Representatives, or any committee or office thereof.

(b) The term “lobby” does not mean any of the following:

1. Providing or seeking to provide confidential information to be used for law enforcement purposes.

2. Appearing as a witness to provide information at the written request of the chair of a legislative body or committee, including a legislative delegation meeting.

3. Appearing or offering written testimony under oath as an expert witness in any proceeding for any purpose related to the proceeding and communications related to such testimony.

(9)(a) “Lobby for compensation” means being employed or contracting for compensation for the purpose of lobbying, and includes being principally employed for governmental affairs to lobby on behalf of a person or public entity.

(b) The term “lobby for compensation” does not include any of the following:

1. A public officer carrying out the duties of his or her public office.

2. A public or private employee, including an officer of a private business, nonprofit entity, or any public entity acting in the normal course of his or her duties, unless he or she is principally employed for governmental affairs.

3. Advice or services to a governmental entity pursuant to a contractual obligation with the governmental entity.

4. Representation of a person on a legal claim cognizable in a court of law, in an administrative proceeding, or in front of an adjudicatory body, including representation during prelitigation offers, demands, and negotiations, but excluding representation on a claim bill pending in the Legislature.

5. Representation of a person in any proceeding on a complaint or other allegation that could lead to discipline or other adverse action against the person.

6. Representation of a person with respect to a subpoena or other legal process.

(10) “Principally employed for governmental affairs” means that the principal or most significant responsibility of the employee is to oversee the employer’s various relationships with governmental entities or representing the employer in its contacts with governmental entities.

History.—s. 1, ch. 2022-141.

**112.3124 Enforcement and penalties for constitutional prohibition against lobbying by a former justice or judge.—**

(1) Section 13(b), Art. V of the State Constitution applies to justices or judges who vacate their judicial position on or after December 31, 2022.

(2) For purposes of administrative enforcement, a violation of s. 13(b), Art. V of the State Constitution is deemed a violation of this part.

(3) If the commission finds that there has been a violation of s. 13(b), Art. V of the State Constitution, the commission must report its findings and recommendations for appropriate action to the Governor, who has the power to invoke any of the penalties under subsection (4).

(4) A violation of s. 13(b), Art. V of the State Constitution may be punished by one or more of the following:

(a) Public censure and reprimand.

(b) A civil penalty not to exceed \$10,000.

(c) Forfeiture of any pecuniary benefits received for conduct that violates this section. The amount of the pecuniary benefits must be paid to the General Revenue Fund.

(5) The Attorney General and Chief Financial Officer are independently authorized to collect any penalty imposed under this section.

History.—s. 2, ch. 2022-141.

**112.3125 Dual public employment.—**

(1) As used in this section, the term “public officer” includes any person who is elected to state or local office or, for the period of his or her candidacy, any person who has qualified as a candidate for state or local office.

(2) A public officer may not accept public employment with the state or any of its political subdivisions if the public officer knows, or with the exercise of reasonable care should know, that the position is being offered by the employer for the purpose of gaining influence or other advantage based on the public officer’s office or candidacy.

(3) Any public employment accepted by a public officer must meet all of the following conditions:

(a) The position was already in existence or was created by the employer without the knowledge or anticipation of the public officer’s interest in such position;

(b) The position was publicly advertised;

(c) The public officer was subject to the same application and hiring process as other candidates for the position; and

(d) The public officer meets or exceeds the required qualifications for the position.

(4) A person who was employed by the state or any of its political subdivisions before qualifying as a public officer for his or her current term of office or the next available term of office may continue his or her employment. However, he or she may not accept promotion, advancement, additional compensation, or anything of value that he or she knows, or with the exercise of reasonable care should know, is provided or given as a result of his or her election or position, or that is otherwise inconsistent with the promotion, advancement, additional compensation, or anything of value provided or given an employee who is similarly situated.

(5) This section may not be interpreted as authorizing employment that is otherwise prohibited by law.

History.—s. 2, ch. 2013-36.

**112.313 Standards of conduct for public officers, employees of agencies, and local government attorneys.—**

(1) DEFINITION.—As used in this section, unless the context otherwise requires, the term “public officer” includes any person elected or appointed to hold office in any agency, including any person serving on an advisory body.

(2) SOLICITATION OR ACCEPTANCE OF GIFTS.—No public officer, employee of an agency, local government attorney, or candidate for nomination or election shall solicit or accept anything of value to the recipient, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the vote, official action, or judgment of the public officer, employee, local government attorney, or candidate would be influenced thereby.

(3) DOING BUSINESS WITH ONE’S AGENCY.—No employee of an agency acting in his or her official capacity as a purchasing agent, or public officer acting in his or her official capacity, shall either directly or indirectly purchase, rent, or lease any realty, goods, or services for his or her own agency from any business entity of which the officer or employee or the officer’s or employee’s spouse or child is an officer, partner, director, or proprietor or in which such officer or employee or the officer’s or employee’s spouse or child, or any combination of them, has a material interest. Nor shall a public officer or employee, acting in a private capacity, rent, lease, or sell any realty, goods, or services to the officer’s or employee’s own agency, if he or she is a state officer or employee, or to any political subdivision or any agency thereof, if he or she is serving as an officer or employee of that political subdivision. The foregoing shall not apply to district offices maintained by legislators when such offices are located in the legislator’s place of business or when such offices are on property wholly or partially owned by the legislator. This subsection shall not affect or be construed to prohibit contracts entered into prior to:

(a) October 1, 1975.

(b) Qualification for elective office.

(c) Appointment to public office.

(d) Beginning public employment.

(4) UNAUTHORIZED COMPENSATION.—No public officer, employee of an agency, or local government attorney or his or her spouse or minor child shall, at any time, accept any compensation, payment, or thing of value when such public officer, employee, or local government attorney knows, or, with the exercise of reasonable care, should know, that it was given to influence a vote or other action in which the officer, employee, or local government attorney was expected to participate in his or her official capacity.

(5) SALARY AND EXPENSES.—No public officer shall be prohibited from voting on a matter affecting his or her salary, expenses, or other compensation as a public officer, as provided by law. No local government attorney shall be prevented from considering any matter affecting his or her salary, expenses, or other compensation as the local government attorney, as provided by law.

(6) MISUSE OF PUBLIC POSITION.—No public officer, employee of an agency, or local government attorney shall corruptly use or attempt to use his or her official position or any property or resource which may be within his or her trust, or perform his or her official duties, to secure a special privilege, benefit, or exemption for himself, herself, or others. This section shall not be construed to conflict with s. 104.31.

(7) CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP.—

(a) No public officer or employee of an agency shall have or hold any employment or contractual relationship with any business entity or any agency which is subject to the regulation of, or is doing business with, an agency of which he or she is an officer or employee, excluding those organizations and their officers who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the state or any municipality, county, or other political subdivision of the state; nor shall an officer or employee of an agency have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties.

1. When the agency referred to is that certain kind of special tax district created by general or special law and is limited specifically to constructing, maintaining, managing, and financing improvements in the land area over which the agency has jurisdiction, or when the agency has been organized pursuant to chapter 298, then employment with, or entering into a contractual relationship with, such business entity by a public officer or employee of such agency is not prohibited by this subsection <sup>1</sup>or deemed a conflict per se. However, conduct by such officer or employee that is prohibited by, or otherwise frustrates the intent of, this section, including conduct that violates subsections (6) and (8), is deemed a conflict of interest in violation of the standards of conduct set forth by this section.

2. When the agency referred to is a legislative body and the regulatory power over the business entity resides in another agency, or when the regulatory power which the legislative body exercises over the business entity or agency is strictly through the enactment of laws or ordinances, then employment or a contractual relationship with such business entity by a public officer or employee of a legislative body shall not be prohibited by this subsection or be deemed a conflict.

(b) This subsection shall not prohibit a public officer or employee from practicing in a particular profession or occupation when such practice by persons holding such public office or employment is required or permitted by law or ordinance.

(8) DISCLOSURE OR USE OF CERTAIN INFORMATION.—A current or former public officer, employee of an agency, or local government attorney may not disclose or use information not available to members of the general public and gained by reason of his or her official position, except for information relating exclusively to governmental practices, for his or her personal gain or benefit or for the personal gain or benefit of any other person or business entity.

(9) POSTEMPLOYMENT RESTRICTIONS; STANDARDS OF CONDUCT FOR LEGISLATORS AND LEGISLATIVE EMPLOYEES.—

(a)1. It is the intent of the Legislature to implement by statute the provisions of s. 8(e), Art. II of the State Constitution relating to legislators, statewide elected officers, appointed state officers, and designated public employees.

2. As used in this paragraph:

a. “Employee” means:

(I) Any person employed in the executive or legislative branch of government holding a position in the Senior Management Service as defined in s. 110.402 or any person holding a position in the Selected Exempt Service as defined in s. 110.602 or any person having authority over policy or procurement employed by the Department of the Lottery.

(II) The Auditor General, the director of the Office of Program Policy Analysis and Government Accountability, the Sergeant at Arms and Secretary of the Senate, and the Sergeant at Arms and Clerk of the House of Representatives.

(III) The executive director and deputy executive director of the Commission on Ethics.

(IV) An executive director, staff director, or deputy staff director of each joint committee, standing committee, or select committee of the Legislature; an executive director, staff director, executive assistant, analyst, or attorney of the Office of the President of the Senate, the Office of the Speaker of the House of Representatives, the Senate Majority Party Office, Senate Minority Party Office, House Majority Party Office, or House Minority Party Office; or any person, hired on a contractual basis, having the power normally conferred upon such persons, by whatever title.

(V) The Chancellor and Vice Chancellors of the State University System; the general counsel to the Board of Governors of the State University System; and the president, provost, vice presidents, and deans of each state university.



(VI) Any person, including an other-personal-services employee, having the power normally conferred upon the positions referenced in this sub-subparagraph.

b. "Appointed state officer" means any member of an appointive board, commission, committee, council, or authority of the executive or legislative branch of state government whose powers, jurisdiction, and authority are not solely advisory and include the final determination or adjudication of any personal or property rights, duties, or obligations, other than those relative to its internal operations.

c. "State agency" means an entity of the legislative, executive, or judicial branch of state government over which the Legislature exercises plenary budgetary and statutory control.

3.a. No member of the Legislature, appointed state officer, or statewide elected officer shall personally represent another person or entity for compensation before the government body or agency of which the individual was an officer or member for a period of 2 years following vacation of office. No member of the Legislature shall personally represent another person or entity for compensation during his or her term of office before any state agency other than judicial tribunals or in settlement negotiations after the filing of a lawsuit.

b. For a period of 2 years following vacation of office, a former member of the Legislature may not act as a lobbyist for compensation before an executive branch agency, agency official, or employee. The terms used in this sub-subparagraph have the same meanings as provided in s. 112.3215.

4. An agency employee, including an agency employee who was employed on July 1, 2001, in a Career Service System position that was transferred to the Selected Exempt Service System under chapter 2001-43, Laws of Florida, may not personally represent another person or entity for compensation before the agency with which he or she was employed for a period of 2 years following vacation of position, unless employed by another agency of state government.

5. Any person violating this paragraph shall be subject to the penalties provided in s. 112.317 and a civil penalty of an amount equal to the compensation which the person receives for the prohibited conduct.

6. This paragraph is not applicable to:

a. A person employed by the Legislature or other agency prior to July 1, 1989;

b. A person who was employed by the Legislature or other agency on July 1, 1989, whether or not the person was a defined employee on July 1, 1989;

c. A person who was a defined employee of the State University System or the Public Service Commission who held such employment on December 31, 1994;

d. A person who has reached normal retirement age as defined in s. 121.021(29), and who has retired under the provisions of chapter 121 by July 1, 1991; or

e. Any appointed state officer whose term of office began before January 1, 1995, unless reappointed to that office on or after January 1, 1995.

(b) In addition to the provisions of this part which are applicable to legislators and legislative employees by virtue of their being public officers or employees, the conduct of members of the Legislature and legislative employees shall be governed by the ethical standards provided in the respective rules of the Senate or House of Representatives which are not in conflict herewith.

(10) EMPLOYEES HOLDING OFFICE.—

(a) No employee of a state agency or of a county, municipality, special taxing district, or other political subdivision of the state shall hold office as a member of the governing board, council, commission, or authority, by whatever name known, which is his or her employer while, at the same time, continuing as an employee of such employer.

(b) The provisions of this subsection shall not apply to any person holding office in violation of such provisions on the effective date of this act. However, such a person shall surrender his or her conflicting employment prior to seeking reelection or accepting reappointment to office.

(11) PROFESSIONAL AND OCCUPATIONAL LICENSING BOARD MEMBERS.—No officer, director, or administrator of a Florida state, county, or regional professional or occupational organization or association, while holding such position, shall be eligible to serve as a member of a state examining or licensing board for the profession or occupation.

(12) EXEMPTION.—The requirements of subsections (3) and (7) as they pertain to persons serving on advisory boards may be waived in a particular instance by the body which appointed the person to the advisory board, upon a full disclosure of the transaction or relationship to the appointing body prior to

the waiver and an affirmative vote in favor of waiver by two-thirds vote of that body. In instances in which appointment to the advisory board is made by an individual, waiver may be effected, after public hearing, by a determination by the appointing person and full disclosure of the transaction or relationship by the appointee to the appointing person. In addition, no person shall be held in violation of subsection (3) or subsection (7) if:

(a) Within a city or county the business is transacted under a rotation system whereby the business transactions are rotated among all qualified suppliers of the goods or services within the city or county.

(b) The business is awarded under a system of sealed, competitive bidding to the lowest or best bidder and:

1. The official or the official's spouse or child has in no way participated in the determination of the bid specifications or the determination of the lowest or best bidder;

2. The official or the official's spouse or child has in no way used or attempted to use the official's influence to persuade the agency or any personnel thereof to enter such a contract other than by the mere submission of the bid; and

3. The official, prior to or at the time of the submission of the bid, has filed a statement with the Commission on Ethics, if the official is a state officer or employee, or with the supervisor of elections of the county in which the agency has its principal office, if the official is an officer or employee of a political subdivision, disclosing the official's interest, or the interest of the official's spouse or child, and the nature of the intended business.

(c) The purchase or sale is for legal advertising in a newspaper, for any utilities service, or for passage on a common carrier.

(d) An emergency purchase or contract which would otherwise violate a provision of subsection (3) or subsection (7) must be made in order to protect the health, safety, or welfare of the citizens of the state or any political subdivision thereof.

(e) The business entity involved is the only source of supply within the political subdivision of the officer or employee and there is full disclosure by the officer or employee of his or her interest in the business entity to the governing body of the political subdivision prior to the purchase, rental, sale, leasing, or other business being transacted.

(f) The total amount of the transactions in the aggregate between the business entity and the agency does not exceed \$500 per calendar year.

(g) The fact that a county or municipal officer or member of a public board or body, including a district school officer or an officer of any district within a county, is a stockholder, officer, or director of a bank will not bar such bank from qualifying as a depository of funds coming under the jurisdiction of any such public board or body, provided it appears in the records of the agency that the governing body of the agency has determined that such officer or member of a public board or body has not favored such bank over other qualified banks.

(h) The transaction is made pursuant to s. 1004.22 or s. 1004.23 and is specifically approved by the president and the chair of the university board of trustees. The chair of the university board of trustees shall submit to the Governor and the Legislature by March 1 of each year a report of the transactions approved pursuant to this paragraph during the preceding year.

(i) The public officer or employee purchases in a private capacity goods or services, at a price and upon terms available to similarly situated members of the general public, from a business entity which is doing business with his or her agency.

(j) The public officer or employee in a private capacity purchases goods or services from a business entity which is subject to the regulation of his or her agency and:

1. The price and terms of the transaction are available to similarly situated members of the general public; and

2. The officer or employee makes full disclosure of the relationship to the agency head or governing body prior to the transaction.

(13) COUNTY AND MUNICIPAL ORDINANCES AND SPECIAL DISTRICT AND SCHOOL DISTRICT RESOLUTIONS REGULATING FORMER OFFICERS OR EMPLOYEES.—The governing body of any county or municipality may adopt an ordinance and the governing body of any special district or school district may adopt a resolution providing that an appointed county, municipal, special district, or school district officer or a county, municipal, special district, or school district employee may not personally represent another person or entity for compensation before the government body or agency of which

the individual was an officer or employee for a period of 2 years following vacation of office or termination of employment, except for the purposes of collective bargaining. Nothing in this section may be construed to prohibit such ordinance or resolution.

(14) **LOBBYING BY FORMER LOCAL OFFICERS; PROHIBITION.**—A person who has been elected to any county, municipal, special district, or school district office or appointed superintendent of a school district may not personally represent another person or entity for compensation before the government body or agency of which the person was an officer for a period of 2 years after vacating that office. For purposes of this subsection:

(a) The “government body or agency” of a member of a board of county commissioners consists of the commission, the chief administrative officer or employee of the county, and their immediate support staff.

(b) The “government body or agency” of any other county elected officer is the office or department headed by that officer, including all subordinate employees.

(c) The “government body or agency” of an elected municipal officer consists of the governing body of the municipality, the chief administrative officer or employee of the municipality, and their immediate support staff.

(d) The “government body or agency” of an elected special district officer is the special district.

(e) The “government body or agency” of an elected school district officer is the school district.

(15) **ADDITIONAL EXEMPTION.**—No elected public officer shall be held in violation of subsection (7) if the officer maintains an employment relationship with an entity which is currently a tax-exempt organization under s. 501(c) of the Internal Revenue Code and which contracts with or otherwise enters into a business relationship with the officer’s agency and:

(a) The officer’s employment is not directly or indirectly compensated as a result of such contract or business relationship;

(b) The officer has in no way participated in the agency’s decision to contract or to enter into the business relationship with his or her employer, whether by participating in discussion at the meeting, by communicating with officers or employees of the agency, or otherwise; and

(c) The officer abstains from voting on any matter which may come before the agency involving the officer’s employer, publicly states to the assembly the nature of the officer’s interest in the matter from which he or she is abstaining, and files a written memorandum as provided in s. 112.3143.

(16) **LOCAL GOVERNMENT ATTORNEYS.**—

(a) For the purposes of this section, “local government attorney” means any individual who routinely serves as the attorney for a unit of local government. The term shall not include any person who renders legal services to a unit of local government pursuant to contract limited to a specific issue or subject, to specific litigation, or to a specific administrative proceeding. For the purposes of this section, “unit of local government” includes, but is not limited to, municipalities, counties, and special districts.

(b) It shall not constitute a violation of subsection (3) or subsection (7) for a unit of local government to contract with a law firm, operating as either a partnership or a professional association, or in any combination thereof, or with a local government attorney who is a member of or is otherwise associated with the law firm, to provide any or all legal services to the unit of local government, so long as the local government attorney is not a full-time employee or member of the governing body of the unit of local government. However, the standards of conduct as provided in subsections (2), (4), (5), (6), and (8) shall apply to any person who serves as a local government attorney.

(c) No local government attorney or law firm in which the local government attorney is a member, partner, or employee shall represent a private individual or entity before the unit of local government to which the local government attorney provides legal services. A local government attorney whose contract with the unit of local government does not include provisions that authorize or mandate the use of the law firm of the local government attorney to complete legal services for the unit of local government shall not recommend or otherwise refer legal work to that attorney’s law firm to be completed for the unit of local government.

(17) **BOARD OF GOVERNORS AND BOARDS OF TRUSTEES.**—No citizen member of the Board of Governors of the State University System, nor any citizen member of a board of trustees of a local constituent university, shall have or hold any employment or contractual relationship as a legislative lobbyist requiring annual registration and reporting pursuant to s. 11.045.



**History.**—s. 3, ch. 67-469; s. 2, ch. 69-335; ss. 10, 35, ch. 69-106; s. 3, ch. 74-177; ss. 4, 11, ch. 75-208; s. 1, ch. 77-174; s. 1, ch. 77-349; s. 4, ch. 82-98; s. 2, ch. 83-26; s. 6, ch. 83-282; s. 14, ch. 85-80; s. 12, ch. 86-145; s. 1, ch. 88-358; s. 1, ch. 88-408; s. 3, ch. 90-502; s. 3, ch. 91-85; s. 4, ch. 91-292; s. 1, ch. 92-35; s. 1, ch. 94-277; s. 1406, ch. 95-147; s. 3, ch. 96-311; s. 34, ch. 96-318; s. 41, ch. 99-2; s. 29, ch. 2001-266; s. 20, ch. 2002-1; s. 894, ch. 2002-387; s. 2, ch. 2005-285; s. 2, ch. 2006-275; s. 10, ch. 2007-217; s. 16, ch. 2011-34; s. 3, ch. 2013-36; s. 2, ch. 2018-5; s. 1, ch. 2023-121.

<sup>1</sup>**Note.**—The word “be” following the word “or” was deleted by the editors to improve clarity.

**112.3135 Restriction on employment of relatives.—**

(1) In this section, unless the context otherwise requires:

(a) “Agency” means:

1. A state agency, except an institution under the jurisdiction of the Board of Governors of the State University System;
2. An office, agency, or other establishment in the legislative branch;
3. An office, agency, or other establishment in the judicial branch;
4. A county;
5. A city; and
6. Any other political subdivision of the state, except a district school board or community college district.

(b) “Collegial body” means a governmental entity marked by power or authority vested equally in each of a number of colleagues.

(c) “Public official” means an officer, including a member of the Legislature, the Governor, and a member of the Cabinet, or an employee of an agency in whom is vested the authority by law, rule, or regulation, or to whom the authority has been delegated, to appoint, employ, promote, or advance individuals or to recommend individuals for appointment, employment, promotion, or advancement in connection with employment in an agency, including the authority as a member of a collegial body to vote on the appointment, employment, promotion, or advancement of individuals.

(d) “Relative,” for purposes of this section only, with respect to a public official, means an individual who is related to the public official as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

(2)(a) A public official may not appoint, employ, promote, or advance, or advocate for appointment, employment, promotion, or advancement, in or to a position in the agency in which the official is serving or over which the official exercises jurisdiction or control any individual who is a relative of the public official. An individual may not be appointed, employed, promoted, or advanced in or to a position in an agency if such appointment, employment, promotion, or advancement has been advocated by a public official, serving in or exercising jurisdiction or control over the agency, who is a relative of the individual or if such appointment, employment, promotion, or advancement is made by a collegial body of which a relative of the individual is a member. However, this subsection shall not apply to appointments to boards other than those with land-planning or zoning responsibilities in those municipalities with less than 35,000 population. This subsection does not apply to persons serving in a volunteer capacity who provide emergency medical, firefighting, or police services. Such persons may receive, without losing their volunteer status, reimbursements for the costs of any training they get relating to the provision of volunteer emergency medical, firefighting, or police services and payment for any incidental expenses relating to those services that they provide.

(b) Mere approval of budgets shall not be sufficient to constitute “jurisdiction or control” for the purposes of this section.

(3) An agency may prescribe regulations authorizing the temporary employment, in the event of an emergency as defined in s. 252.34, of individuals whose employment would be otherwise prohibited by this section.

(4) Legislators’ relatives may be employed as pages or messengers during legislative sessions.

**History.**—ss. 1, 2, 3, ch. 69-341; ss. 15, 35, ch. 69-106; s. 70, ch. 72-221; s. 3, ch. 83-334; s. 1, ch. 89-67; s. 4, ch. 90-502; s. 2, ch. 94-277; s. 1407, ch. 95-147; s. 1, ch. 98-160; s. 42, ch. 99-2; s. 11, ch. 2007-217; s. 47, ch. 2011-142.

**Note.**—Former s. 116.111.

**112.3136 Standards of conduct for officers and employees of entities serving as chief administrative officer of political subdivisions.—**The officers, directors, and chief executive officer of a corporation, partnership, or other business entity that is serving as the chief administrative or

executive officer or employee of a political subdivision, and any business entity employee who is acting as the chief administrative or executive officer or employee of the political subdivision, for the purposes of the following sections, are public officers and employees who are subject to the following standards of conduct of this part:

(1) Section 112.313, and their “agency” is the political subdivision that they serve; however, the contract under which the business entity serves as chief executive or administrative officer of the political subdivision is not deemed to violate s. 112.313(3) or (7).

(2) Section 112.3145, as a “local officer.”

(3) Sections 112.3148 and 112.3149, as a “reporting individual.”

History.—s. 1, ch. 2009-126.

**112.3142 Ethics training for specified constitutional officers, elected municipal officers, commissioners of community redevelopment agencies, and elected local officers of independent special districts.—**

(1) As used in this section, the term “constitutional officers” includes the Governor, the Lieutenant Governor, the Attorney General, the Chief Financial Officer, the Commissioner of Agriculture, state attorneys, public defenders, sheriffs, tax collectors, property appraisers, supervisors of elections, clerks of the circuit court, county commissioners, district school board members, and superintendents of schools.

(2)(a) All constitutional officers must complete 4 hours of ethics training each calendar year which addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation if the required subjects are covered.

(b) All elected municipal officers must complete 4 hours of ethics training each calendar year which addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation if the required subjects are covered.

(c) Beginning January 1, 2020, each commissioner of a community redevelopment agency created under part III of chapter 163 must complete 4 hours of ethics training each calendar year which addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation, if the required subject material is covered by the class.

(d) Beginning January 1, 2024, each elected local officer of an independent special district, as defined in s. 189.012, and each person who is appointed to fill a vacancy for an unexpired term of such elective office must complete 4 hours of ethics training each calendar year which addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation, if the required subject matter is covered by such class, seminar, or presentation.

(e) The commission shall adopt rules establishing minimum course content for the portion of an ethics training class which addresses s. 8, Art. II of the State Constitution and the Code of Ethics for Public Officers and Employees.

(f) The Legislature intends that a constitutional officer, a commissioner of a community redevelopment agency, an elected municipal officer, or an elected local officer of an independent special district who is required to complete ethics training pursuant to this section receive the required training as close as possible to the date that he or she assumes office. A constitutional officer, a commissioner of a community redevelopment agency, an elected municipal officer, or an elected local officer of an independent special district assuming a new office or new term of office on or before March 31 must complete the annual training on or before December 31 of the year in which the term of office began. A constitutional officer, a commissioner of a community redevelopment agency, an elected municipal officer, or an elected local officer of an independent special district assuming a new

office or new term of office after March 31 is not required to complete ethics training for the calendar year in which the term of office began.

(3) Each house of the Legislature shall provide for ethics training pursuant to its rules.

**History.**—s. 4, ch. 2013-36; s. 2, ch. 2014-183; s. 1, ch. 2019-163; s. 2, ch. 2023-49; s. 2, ch. 2023-121.

**112.3143 Voting conflicts.—**

(1) As used in this section:

(a) “Principal by whom retained” means an individual or entity, other than an agency as defined in s. 112.312(2), that for compensation, salary, pay, consideration, or similar thing of value, has permitted or directed another to act for the individual or entity, and includes, but is not limited to, one’s client, employer, or the parent, subsidiary, or sibling organization of one’s client or employer.

(b) “Public officer” includes any person elected or appointed to hold office in any agency, including any person serving on an advisory body.

(c) “Relative” means any father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law.

(d) “Special private gain or loss” means an economic benefit or harm that would inure to the officer, his or her relative, business associate, or principal, unless the measure affects a class that includes the officer, his or her relative, business associate, or principal, in which case, at least the following factors must be considered when determining whether a special private gain or loss exists:

1. The size of the class affected by the vote.

2. The nature of the interests involved.

3. The degree to which the interests of all members of the class are affected by the vote.

4. The degree to which the officer, his or her relative, business associate, or principal receives a greater benefit or harm when compared to other members of the class.

The degree to which there is uncertainty at the time of the vote as to whether there would be any economic benefit or harm to the public officer, his or her relative, business associate, or principal and, if so, the nature or degree of the economic benefit or harm must also be considered.

(2)(a) A state public officer may not vote on any matter that the officer knows would inure to his or her special private gain or loss. Any state public officer who abstains from voting in an official capacity upon any measure that the officer knows would inure to the officer’s special private gain or loss, or who votes in an official capacity on a measure that he or she knows would inure to the special private gain or loss of any principal by whom the officer is retained or to the parent organization or subsidiary of a corporate principal by which the officer is retained other than an agency as defined in s. 112.312(2); or which the officer knows would inure to the special private gain or loss of a relative or business associate of the public officer, shall make every reasonable effort to disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes. If it is not possible for the state public officer to file a memorandum before the vote, the memorandum must be filed with the person responsible for recording the minutes of the meeting no later than 15 days after the vote.

(b) A member of the Legislature may satisfy the disclosure requirements of this section by filing a disclosure form created pursuant to the rules of the member’s respective house if the member discloses the information required by this subsection.

(3)(a) No county, municipal, or other local public officer shall vote in an official capacity upon any measure which would inure to his or her special private gain or loss; which he or she knows would inure to the special private gain or loss of any principal by whom he or she is retained or to the parent organization or subsidiary of a corporate principal by which he or she is retained, other than an agency as defined in s. 112.312(2); or which he or she knows would inure to the special private gain or loss of a relative or business associate of the public officer. Such public officer shall, prior to the vote being taken, publicly state to the assembly the nature of the officer’s interest in the matter from which he or she is abstaining from voting and, within 15 days after the vote occurs, disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes.

(b) However, a commissioner of a community redevelopment agency created or designated pursuant to s. 163.356 or s. 163.357, or an officer of an independent special tax district elected on a one-acre, one-vote basis, is not prohibited from voting, when voting in said capacity.

(4) No appointed public officer shall participate in any matter which would inure to the officer's special private gain or loss; which the officer knows would inure to the special private gain or loss of any principal by whom he or she is retained or to the parent organization or subsidiary of a corporate principal by which he or she is retained; or which he or she knows would inure to the special private gain or loss of a relative or business associate of the public officer, without first disclosing the nature of his or her interest in the matter.

(a) Such disclosure, indicating the nature of the conflict, shall be made in a written memorandum filed with the person responsible for recording the minutes of the meeting, prior to the meeting in which consideration of the matter will take place, and shall be incorporated into the minutes. Any such memorandum shall become a public record upon filing, shall immediately be provided to the other members of the agency, and shall be read publicly at the next meeting held subsequent to the filing of this written memorandum.

(b) In the event that disclosure has not been made prior to the meeting or that any conflict is unknown prior to the meeting, the disclosure shall be made orally at the meeting when it becomes known that a conflict exists. A written memorandum disclosing the nature of the conflict shall then be filed within 15 days after the oral disclosure with the person responsible for recording the minutes of the meeting and shall be incorporated into the minutes of the meeting at which the oral disclosure was made. Any such memorandum shall become a public record upon filing, shall immediately be provided to the other members of the agency, and shall be read publicly at the next meeting held subsequent to the filing of this written memorandum.

(c) For purposes of this subsection, the term "participate" means any attempt to influence the decision by oral or written communication, whether made by the officer or at the officer's direction.

(5) If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

(6) Whenever a public officer or former public officer is being considered for appointment or reappointment to public office, the appointing body shall consider the number and nature of the memoranda of conflict previously filed under this section by said officer.

**History.**—s. 6, ch. 75-208; s. 2, ch. 84-318; s. 1, ch. 84-357; s. 2, ch. 86-148; s. 5, ch. 91-85; s. 3, ch. 94-277; s. 1408, ch. 95-147; s. 43, ch. 99-2; s. 6, ch. 2013-36.

**112.3144 Full and public disclosure of financial interests.—**

(1)(a) An officer who is required by s. 8, Art. II of the State Constitution to file a full and public disclosure of his or her financial interests for any calendar or fiscal year, or any other person required by law to file a disclosure under this section, shall file that disclosure with the Florida Commission on Ethics. Additionally, an officer who is required to complete annual ethics training pursuant to s. 112.3142 must certify on his or her full and public disclosure of financial interests that he or she has completed the required training.

(b) A member of an expressway authority, transportation authority, bridge authority, toll authority, or expressway agency created pursuant to chapter 343, chapter 348, or any other general law shall comply with the applicable financial disclosure requirements of s. 8, Art. II of the State Constitution.

(c) Each member of the governing body of a large-hub commercial service airport, except for members required to comply with the financial disclosure requirements of s. 8, Art. II of the State Constitution, shall comply with the financial disclosure requirements of s. 112.3145(3). For purposes of this paragraph, the term "large-hub commercial service airport" means a publicly owned airport that has at least 1 percent of the annual passenger boardings in the United States as reported by the Federal Aviation Administration.

(d) Beginning January 1, 2024, the following local officers must comply with the financial disclosure requirements of s. 8, Art. II of the State Constitution and this section:

1. Mayors.
2. Elected members of the governing body of a municipality.

(e) Beginning January 1, 2024, each member of the Commission on Ethics must comply with the financial disclosure requirements of s. 8, Art. II of the State Constitution and this section.

(2) Beginning January 1, 2022, all disclosures filed with the commission must be filed electronically through an electronic filing system that is created and maintained by the commission as provided in s. 112.31446.

(3) A person who is required, pursuant to s. 8, Art. II of the State Constitution, to file a full and public disclosure of financial interests and who has filed a full and public disclosure of financial interests for any calendar or fiscal year is not required to file a statement of financial interests pursuant to s. 112.3145(2) and (3) for the same year or for any part thereof notwithstanding any requirement of this part. Until the electronic filing system required by subsection (2) is implemented, if an incumbent in an elective office has filed the full and public disclosure of financial interests to qualify for election to the same office or if a candidate for office holds another office subject to the annual filing requirement, the qualifying officer shall forward an electronic copy of the full and public disclosure of financial interests to the commission no later than July 1. The electronic copy of the full and public disclosure of financial interests satisfies the annual disclosure requirement of this section. A candidate who does not qualify until after the annual full and public disclosure of financial interests has been filed pursuant to this section shall file a copy of his or her disclosure with the officer before whom he or she qualifies.

(4) Beginning January 1, 2022, an incumbent in an elective office or a candidate holding another position subject to an annual filing requirement may submit a copy of the full and public disclosure of financial interests filed with the commission, or a verification or receipt of the filing, with the officer before whom he or she qualifies. A candidate not subject to an annual filing requirement does not file with the commission, but may complete and print a full and public disclosure of financial interests to file with the officer before whom he or she qualifies.

(5) For purposes of full and public disclosure under s. 8(a), Art. II of the State Constitution, the following items, if not held for investment purposes and if valued at over \$1,000 in the aggregate, may be reported in a lump sum and identified as “household goods and personal effects”:

- (a) Jewelry;
- (b) Collections of stamps, guns, and numismatic properties;
- (c) Art objects;
- (d) Household equipment and furnishings;
- (e) Clothing;
- (f) Other household items; and
- (g) Vehicles for personal use.

(6)(a) With respect to reporting, assets valued in excess of \$1,000 which the reporting individual holds jointly with another person, the amount reported shall be based on the reporting individual’s legal percentage of ownership in the property. However, assets that are held jointly, with right of survivorship, must be reported at 100 percent of the value of the asset. For purposes of this subsection, a reporting individual is deemed to own a percentage of a partnership which is equal to the reporting individual’s interest in the capital or equity of the partnership.

(b)1. With respect to reporting liabilities valued in excess of \$1,000 for which the reporting individual is jointly and severally liable, the amount reported shall be based on the reporting individual’s percentage of liability rather than the total amount of the liability. However, liability for a debt that is secured by property owned by the reporting individual but that is held jointly, with right of survivorship, must be reported at 100 percent of the total amount owed.

2. A separate section of the form shall be created to provide for the reporting of the amounts of joint and several liability of the reporting individual not otherwise reported in subparagraph 1.

(c) Each separate source and amount of income which exceeds \$1,000 must be identified. For the purpose of a filer reporting income, the commission shall accept federal income tax returns. If a filer submits a federal income tax return for the purpose of reporting income, he or she must also include all attachments and schedules associated with such federal income tax return.

(7)(a) Beginning January 1, 2023, a filer may not include in a filing to the commission a social security number; a bank, mortgage, or brokerage account number; a debit, charge, or credit card number; a personal identification number; or a taxpayer identification number. If a filer includes such information in his or her filing, the information may be made available as part of the official records of the commission available for public inspection and copying unless redaction is requested by the filer. The commission is not liable for the release of social security numbers or bank account, debit, charge,



or credit card numbers included in a filing to the commission if the filer has not requested redaction of such information.

(b) The commission shall redact a filer's social security number; bank account number; debit, charge, or credit card number; or any other personal or account information that is legally protected from disclosure under state or federal law upon written notification from the filer of its inadvertent inclusion. Such notice must specify the information inadvertently included and the specific section or sections of the disclosure in which it was included.

(c) The commission must conspicuously post a notice, in substantially the following form, in the instructions for the electronic filing system specifying that:

1. Any filer submitting information through the electronic filing system may not include a social security number; a bank, mortgage, or brokerage account number; a debit, charge, or credit card number; a personal identification number; or a taxpayer identification number in any filing unless required by law.

2. Information submitted through the electronic filing system may be open to public inspection and copying.

3. Any filer has a right to request that the commission redact from his or her filing any social security number; bank account number; or debit, charge, or credit card number contained in the filing. Such request must be made in writing and delivered to the commission. The request must specify the information to be redacted and the specific section or sections of the disclosure in which it was included.

(8) Forms or fields of information for compliance with the full and public disclosure requirements of s. 8, Art. II of the State Constitution must be prescribed by the commission. The commission shall allow a filer to include attachments or other supporting documentation when filing a disclosure. The commission shall give notice of disclosure deadlines and delinquencies and distribute forms in the following manner:

(a) Not later than May 1 of each year, the commission shall prepare a current list of the names, e-mail addresses, and physical addresses of and the offices held by every person required to file full and public disclosure annually by s. 8, Art. II of the State Constitution, or other state law. Each unit of government shall assist the commission in compiling the list by providing to the commission not later than February 1 of each year the name, e-mail address, physical address, and name of the office held by such person within the respective unit of government as of December 31 of the preceding year.

(b) Not later than June 1 of each year, the commission shall notify by e-mail all persons required to file a full and public disclosure of financial interests of all of the following:

1. All applicable filing deadlines for completing and filing the full and public disclosure of financial interests prescribed under subsection (3) on the electronic filing system.

2. Instructions on how to complete and file the full and public disclosure of financial interests as prescribed by subsection (3) on the electronic filing system, or where to access such instructions. Beginning January 1, 2023, paper forms may not be provided and persons required to file a full and public disclosure of financial interests must complete and file their disclosures on the electronic filing system pursuant to subsection (2).

(c) Not later than August 1 of each year, the commission shall determine which persons on the list have failed to file full and public disclosure and shall send delinquency notices to such persons. Each notice must state that a grace period is in effect until September 1 of the current year. The notice required under this paragraph must be delivered by e-mail and must be redelivered on a weekly basis by e-mail as long as a person remains delinquent.

(d) Disclosures must be received by the commission not later than 11:59 p.m. of the due date. Beginning January 1, 2023, upon request of the filer, the commission must provide verification to the filer that the commission has received the filed disclosure.

(e) Beginning January 1, 2023, a written declaration, as provided for under s. 92.525(2), accompanied by an electronic signature satisfies the requirement that the disclosure be sworn.

(f) Any person who is required to file full and public disclosure of financial interests and whose name is on the commission's list, and to whom notice has been sent, but who fails to timely file is assessed a fine of \$25 per day for each day late up to a maximum of \$1,500; however this \$1,500 limitation on automatic fines does not limit the civil penalty that may be imposed if the statement is filed more than 60 days after the deadline and a complaint is filed, as provided in s. 112.324. The

commission must provide by rule the grounds for waiving the fine and the procedures by which each person whose name is on the list and who is determined to have not filed in a timely manner will be notified of assessed fines and may appeal. The rule must provide for and make specific that the amount of the fine due is based upon when the disclosure is filed on the electronic filing system created and maintained by the commission as provided in s. 112.31446.

1. Upon receipt of the disclosure statement or upon accrual of the maximum penalty, whichever occurs first, the commission shall determine the amount of the fine which is due and shall notify the delinquent person. The notice must include an explanation of the appeal procedure under subparagraph 2. Such fine must be paid within 30 days after the notice of payment due is transmitted, unless appeal is made to the commission pursuant to subparagraph 2. The moneys shall be deposited into the General Revenue Fund.

2. Any reporting person may appeal or dispute a fine, based upon unusual circumstances surrounding the failure to file on the designated due date, and may request and is entitled to a hearing before the commission, which may waive the fine in whole or in part for good cause shown. Any such request must be in writing and received by the commission within 30 days after the notice of payment due is transmitted. In such a case, the reporting person must, within the 30-day period, notify the person designated to review the timeliness of reports in writing of his or her intention to bring the matter before the commission. For purposes of this subparagraph, "unusual circumstances" does not include the failure to monitor an e-mail account or failure to receive notice if the person has not notified the commission of a change in his or her e-mail address.

(g) Any person subject to the annual filing of full and public disclosure under s. 8, Art. II of the State Constitution, or other state law, whose name is not on the commission's list of persons required to file full and public disclosure is not subject to the fines or penalties provided in this part for failure to file full and public disclosure in any year in which the omission occurred, but nevertheless is required to file the disclosure statement.

(h) The notification requirements and fines of this subsection do not apply to candidates or to the first filing required of any person appointed to elective constitutional office or other position required to file full and public disclosure, unless the person's name is on the commission's notification list and the person received notification from the commission. The appointing official shall notify such newly appointed person of the obligation to file full and public disclosure by July 1. The notification requirements and fines of this subsection do not apply to the final filing provided for in subsection (10).

(i) Notwithstanding any provision of chapter 120, any fine imposed under this subsection which is not waived by final order of the commission and which remains unpaid more than 60 days after the notice of payment due or more than 60 days after the commission renders a final order on the appeal must be submitted to the Department of Financial Services as a claim, debt, or other obligation owed to the state, and the department shall assign the collection of such fine to a collection agent as provided in s. 17.20.

(9) If a person holding public office or public employment fails or refuses to file a full and public disclosure of financial interests for any year in which the person received notice from the commission regarding the failure to file and has accrued the maximum automatic fine authorized under this section, regardless of whether the fine imposed was paid or collected, the commission shall initiate an investigation and conduct a public hearing without receipt of a complaint to determine whether the person's failure to file is willful. Such investigation and hearing must be conducted in accordance with s. 112.324. Except as provided in s. 112.324(4), if the commission determines that the person willfully failed to file a full and public disclosure of financial interests, the commission shall enter an order recommending that the officer or employee be removed from his or her public office or public employment. The commission shall forward its recommendations as provided in s. 112.324.

(10) Each person required to file full and public disclosure of financial interests shall file a final disclosure statement within 60 days after leaving his or her public position for the period between January 1 of the year in which the person leaves and the last day of office or employment, unless within the 60-day period the person takes another public position requiring financial disclosure under s. 8, Art. II of the State Constitution, or is otherwise required to file full and public disclosure for the final disclosure period. The head of the agency of each person required to file full and public disclosure for the final disclosure period shall notify such persons of their obligation to file the final disclosure and may designate a person to be responsible for the notification requirements of this subsection.

When an elected local officer specified in paragraph (1)(d) leaves office before the expiration of his or her term, any individual appointed to replace such officer for the remainder of that term must file a full and public disclosure of financial interests annually thereafter for the remainder of his or her term in office.

(11)(a) The commission shall treat an amendment to a full and public disclosure of financial interests which is filed before September 1 of the year in which the disclosure is due as part of the original filing, regardless of whether a complaint has been filed. If a complaint alleges only an immaterial, inconsequential, or de minimis error or omission, the commission may not take any action on the complaint other than notifying the filer of the complaint. The filer must be given 30 days to file an amendment to the full and public disclosure of financial interests correcting any errors. If the filer does not file an amendment to the full and public disclosure of financial interests within 30 days after the commission sends notice of the complaint, the commission may continue with proceedings pursuant to s. 112.324.

(b) For purposes of the final full and public disclosure of financial interests, the commission shall treat an amendment to a new final full and public disclosure of financial interests as part of the original filing if filed within 60 days after the original filing, regardless of whether a complaint has been filed. If, more than 60 days after a final full and public disclosure of financial interests is filed, a complaint is filed alleging a complete omission of any information required to be disclosed by this section, the commission may immediately follow the complaint procedures in s. 112.324. However, if the complaint alleges an immaterial, inconsequential, or de minimis error or omission, the commission may not take any action on the complaint, other than notifying the filer of the complaint. The filer must be given 30 days to file an amendment to the new final full and public disclosure of financial interests correcting any errors. If the filer does not file an amendment to the new final full and public disclosure of financial interests within 30 days after the commission sends notice of the complaint, the commission may continue with proceedings pursuant to s. 112.324.

(c) For purposes of this section, an error or omission is immaterial, inconsequential, or de minimis if the original filing provided sufficient information for the public to identify potential conflicts of interest. However, failure to certify completion of annual ethics training required under s. 112.3142 does not constitute an immaterial, inconsequential, or de minimis error or omission.

(12)(a) An individual required to file a disclosure pursuant to this section may have the disclosure prepared by an attorney in good standing with The Florida Bar or by a certified public accountant licensed under chapter 473. After preparing a disclosure form, the attorney or certified public accountant must sign the form indicating that he or she prepared the form in accordance with this section and the instructions for completing and filing the disclosure forms and that, upon his or her reasonable knowledge and belief, the disclosure is true and correct. If a complaint is filed alleging a failure to disclose information required by this section, the commission shall determine whether the information was disclosed to the attorney or certified public accountant. The failure of the attorney or certified public accountant to accurately transcribe information provided by the individual required to file is not a violation of this section.

(b) An elected officer or candidate who chooses to use an attorney or a certified public accountant to prepare his or her disclosure may pay for the services of the attorney or certified public accountant from funds in an office account created pursuant to s. 106.141 or, during a year that the individual qualifies for election to public office, the candidate's campaign depository pursuant to s. 106.021.

(13) The commission shall adopt rules and forms specifying how a person who is required to file full and public disclosure of financial interests may amend his or her disclosure statement to report information that was not included on the form as originally filed. If the amendment is the subject of a complaint filed under this part, the commission and the proper disciplinary official or body shall consider as a mitigating factor when considering appropriate disciplinary action the fact that the amendment was filed before any complaint or other inquiry or proceeding, while recognizing that the public was deprived of access to information to which it was entitled.

(14) The provisions of this section constitute a revision to the schedule included in s. 8(i), Art. II of the State Constitution.

**History.**—s. 1, ch. 82-98; s. 3, ch. 88-358; s. 19, ch. 91-45; s. 4, ch. 94-277; s. 1409, ch. 95-147; s. 2, ch. 2000-243; s. 30, ch. 2000-258; s. 127, ch. 2003-261; s. 3, ch. 2006-275; s. 7, ch. 2013-36; s. 3, ch. 2014-183; s. 3, ch. 2019-97; s. 2, ch. 2019-169; s. 2, ch. 2020-167; ss. 91, 92, ch. 2022-157; ss. 35, 36, ch. 2023-8; s. 3, ch. 2023-49.

**112.31445 Electronic filing system; full and public disclosure of financial interests.—**



(1) As used in this section, the term “electronic filing system” means an Internet system for recording and reporting full and public disclosure of financial interests or any other form that is required pursuant to s. 112.3144.

(2) Beginning with the 2012 filing year, all full and public disclosures of financial interests filed with the commission pursuant to s. 8, Art. II of the State Constitution or s. 112.3144 must be scanned and made publicly available by the commission through a searchable Internet database.

(3) By December 1, 2015, the commission shall submit a proposal to the President of the Senate and the Speaker of the House of Representatives for a mandatory electronic filing system. The proposal must, at a minimum:

(a) Provide for access through the Internet.

(b) Establish a procedure to make filings available in a searchable format that is accessible by an individual using standard web-browsing software.

(c) Provide for direct completion of the full and public disclosure of financial interests forms as well as upload such information using software approved by the commission.

(d) Provide a secure method that prevents unauthorized access to electronic filing system functions.

(e) Provide a method for an attorney or certified public accountant licensed in this state to sign the disclosure form to indicate that he or she prepared the form in accordance with s. 112.3144 and the instructions for completing and filing the disclosure form and that, upon his or her reasonable knowledge and belief, the form is true and correct.

(f) Address whether additional statutory or rulemaking authority is necessary for implementation of the system, and must include, at a minimum, the following elements: alternate filing procedures to be used in the event that the commission’s electronic filing system is inoperable, issuance of an electronic receipt via electronic mail indicating and verifying to the individual who submitted the full and public disclosure of financial interests form that the form has been filed, and a determination of the feasibility and necessity of including statements of financial interests filed pursuant to s. 112.3145 in the proposed system.

(4) The commission shall publish a notice on the electronic filing system instructing filers to redact a social security number; a bank, mortgage, or brokerage account number; a debit, charge, or credit card number; a personal identification number; or a taxpayer identification number in their filings.

(5) The electronic filing system must allow a filer to include attachments or other supporting documentation when submitting a disclosure through the system.

**History.**—s. 8, ch. 2013-36; s. 4, ch. 2023-49.

**112.31446 Electronic filing system for financial disclosure.—**

(1) As used in this section, the term:

(a) “Disclosure of financial interests” or “disclosure” includes a full and public disclosure of financial interests and a final full and public disclosure of financial interests, and any amendments thereto.

(b) “Electronic filing system” means an Internet-based system for receiving, reporting, and publishing disclosures of financial interests, statements of financial interests, or any other form that is required under s. 112.3144 or s. 112.3145.

(c) “Statement of financial interests” or “statement” includes a statement of financial interests and a final statement of financial interests, and any amendments thereto.

(2) By January 1, 2022, the commission shall procure and test an electronic filing system. At a minimum, the electronic filing system must:

(a) Provide access through the Internet for the completion and submission of disclosures of financial interests, statements of financial interests, or any other form that is required under s. 112.3144 or s. 112.3145.

(b) Make filings available in a searchable format that is accessible by an individual using standard Internet-browsing software.

(c) Issue a verification or receipt that the commission has received the submitted disclosure or statement.

(d) Provide security that prevents unauthorized access to the electronic filing system’s functions or data.

(e) Provide a method for an attorney or a certified public accountant licensed in this state to complete the disclosure or statement and certify that he or she prepared the disclosure or statement in accordance with s. 112.3144 or s. 112.3145 and the instructions for completing the disclosure or statement, and that, upon his or her reasonable knowledge and belief, the information on the disclosure or statement is true and correct.

(f) Allow a filer to include attachments or other supporting documentation when submitting a disclosure or a statement through the system.

(3) Each unit of government shall provide an e-mail address to any of its officers, members, or employees who must file a disclosure of financial interests or a statement of financial interests, and provide such e-mail addresses to the commission by February 1 of each year. A person required to file a disclosure of financial interests or statement of financial interests must inform the commission immediately of any change in his or her e-mail address.

(4) The commission shall provide each person required to file a disclosure of financial interests or statement of financial interests a secure log-in to the electronic filing system. Such person is responsible for protecting his or her secure log-in credentials from disclosure and is responsible for all filings submitted to the commission with such credentials, unless the person has notified the commission that his or her credentials have been compromised.

(5) If the electronic filing system is inoperable which prevents timely submission of disclosures of financial interests or statements of financial interests, as determined by the commission chair, or if the Governor has declared a state of emergency and a person required to submit a disclosure or statement resides in an area included in the state of emergency which prevents the submission of the disclosure or statement electronically, the commission chair must extend the filing deadline for submission of the disclosures or statements by the same period of time for which the system was inoperable or by 90 days for persons who reside in an area included in a state of emergency, whichever is applicable.

(6)(a) All secure login credentials held by the commission for the purpose of allowing access to the electronic filing system are exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(b) Information entered in the electronic filing system for purposes of financial disclosure is exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution. Information entered in the electronic filing system is no longer exempt once the disclosure of financial interests or statement of financial interests is submitted to the commission or, in the case of a candidate, filed with a qualifying officer, whichever occurs first.

(c) This subsection is subject to the Open Government Sunset Review Act in accordance with s. 119.15 and shall stand repealed on October 2, 2024, unless reviewed and saved from repeal through reenactment by the Legislature.

**History.**—s. 1, ch. 2019-40; s. 1, ch. 2019-97; s. 5, ch. 2023-49.

**112.3145 Disclosure of financial interests and clients represented before agencies.—**

(1) For purposes of this section, unless the context otherwise requires, the term:

(a) “Local officer” means:

1. Every person who is elected to office in any political subdivision of the state, and every person who is appointed to fill a vacancy for an unexpired term in such an elective office.

2. Any appointed member of any of the following boards, councils, commissions, authorities, or other bodies of any county, municipality, school district, independent special district, or other political subdivision of the state:

a. The governing body of the political subdivision, if appointed;

b. A community college or junior college district board of trustees;

c. A board having the power to enforce local code provisions;

d. A planning or zoning board, board of adjustment, board of appeals, community redevelopment agency board, or other board having the power to recommend, create, or modify land planning or zoning within the political subdivision, except for citizen advisory committees, technical coordinating committees, and such other groups who only have the power to make recommendations to planning or zoning boards;

e. A pension board or retirement board having the power to invest pension or retirement funds or the power to make a binding determination of one’s entitlement to or amount of a pension or other retirement benefit; or

f. Any other appointed member of a local government board who is required to file a statement of financial interests by the appointing authority or the enabling legislation, ordinance, or resolution creating the board.

3. Any person holding one or more of the following positions: mayor; county or city manager; chief administrative employee of a county, municipality, or other political subdivision; county or municipal attorney; finance director of a county, municipality, or other political subdivision; chief county or municipal building code inspector; county or municipal water resources coordinator; county or municipal pollution control director; county or municipal environmental control director; county or municipal administrator, with power to grant or deny a land development permit; chief of police; fire chief; municipal clerk; district school superintendent; community college president; district medical examiner; or purchasing agent having the authority to make any purchase exceeding the threshold amount provided for in s. 287.017 for CATEGORY TWO, on behalf of any political subdivision of the state or any entity thereof.

(b) "Specified state employee" means:

1. Public counsel created by chapter 350, an assistant state attorney, an assistant public defender, a criminal conflict and civil regional counsel, an assistant criminal conflict and civil regional counsel, a full-time state employee who serves as counsel or assistant counsel to any state agency, an administrative law judge, or a hearing officer.

2. Any person employed in the office of the Governor or in the office of any member of the Cabinet if that person is exempt from the Career Service System, except persons employed in clerical, secretarial, or similar positions.

3. The State Surgeon General or each appointed secretary, assistant secretary, deputy secretary, executive director, assistant executive director, or deputy executive director of each state department, commission, board, or council; unless otherwise provided, the division director, assistant division director, deputy director, and bureau chief of any state department or division; or any person having the power normally conferred upon such persons, by whatever title.

4. The superintendent or institute director of a state mental health institute established for training and research in the mental health field or the warden or director of any major state institution or facility established for corrections, training, treatment, or rehabilitation.

5. Business managers, purchasing agents having the power to make any purchase exceeding the threshold amount provided for in s. 287.017 for CATEGORY TWO, finance and accounting directors, personnel officers, or grants coordinators for any state agency.

6. Any person, other than a legislative assistant exempted by the presiding officer of the house by which the legislative assistant is employed, who is employed in the legislative branch of government, except persons employed in maintenance, clerical, secretarial, or similar positions.

7. Each employee of the Commission on Ethics.

(c) "State officer" means:

1. Any elected public officer, excluding those elected to the United States Senate and House of Representatives, not covered elsewhere in this part and any person who is appointed to fill a vacancy for an unexpired term in such an elective office.

2. An appointed member of each board, commission, authority, or council having statewide jurisdiction, excluding a member of an advisory body.

3. A member of the Board of Governors of the State University System or a state university board of trustees, the Chancellor and Vice Chancellors of the State University System, and the president of a state university.

4. A member of the judicial nominating commission for any district court of appeal or any judicial circuit.

(2)(a) A person seeking nomination or election to a state or local elective office shall file a statement of financial interests together with, and at the same time he or she files, qualifying papers. When a candidate has qualified for office prior to the deadline to file an annual statement of financial interests, the statement of financial interests that is filed with the candidate's qualifying papers shall be deemed to satisfy the annual disclosure requirement of this section. The qualifying officer must record that the statement of financial interests was timely filed. However, if a candidate does not qualify until after the annual statement of financial interests has been filed, the candidate may file a copy of his or her statement with the qualifying officer.

(b) Each state or local officer, except local officers specified in s. 112.3144(1)(d), and each specified state employee shall file a statement of financial interests no later than July 1 of each year. Each state officer, local officer, and specified state employee shall file a final statement of financial interests within 60 days after leaving his or her public position for the period between January 1 of the year in which the person leaves and the last day of office or employment, unless within the 60-day period the person takes another public position requiring financial disclosure under this section or s. 8, Art. II of the State Constitution or otherwise is required to file full and public disclosure or a statement of financial interests for the final disclosure period. Each state or local officer who is appointed and each specified state employee who is employed shall file a statement of financial interests within 30 days from the date of appointment or, in the case of a specified state employee, from the date on which the employment begins, except that any person whose appointment is subject to confirmation by the Senate shall file before confirmation hearings or within 30 days from the date of appointment, whichever comes first.

(c) Beginning January 1, 2023, an incumbent in an elective office or a candidate holding another position subject to an annual filing requirement may submit a copy of the statement of financial interests filed with the commission, or a verification or receipt of the filing, with the officer before whom he or she qualifies. A candidate not subject to an annual filing requirement does not file with the commission, but may complete and print a statement of financial interests to file with the officer before whom he or she qualifies.

(d) State officers and specified state employees shall file their statements of financial interests with the commission. Local officers shall file their statements of financial interests with the supervisor of elections of the county in which they permanently reside. Local officers who do not permanently reside in any county in the state shall file their statements of financial interests with the supervisor of elections of the county in which their agency maintains its headquarters. Persons seeking to qualify as candidates for local public office shall file their statements of financial interests with the officer before whom they qualify.

(e) Beginning January 1, 2024, a statement of financial interests, a final statement of financial interests and any amendments thereto, or any other form required by this section, except any statement of a candidate who is not subject to an annual filing requirement, must be filed electronically through an electronic filing system created and maintained by the commission as provided in s. 112.31446.

(3) The statement of financial interests for state officers, specified state employees, local officers, and persons seeking to qualify as candidates for state or local office shall be filed even if the reporting person holds no financial interests requiring disclosure in a particular category, in which case that section of the statement shall be marked “not applicable.” Otherwise, the statement of financial interests must include the information under paragraph (a) or paragraph (b). The reporting person must indicate on the statement whether he or she is using the reporting method under paragraph (a) or paragraph (b). Beginning January 1, 2023, only the reporting method specified under paragraph (b) may be used.

(a)1. All sources of income in excess of 5 percent of the gross income received during the disclosure period by the person in his or her own name or by any other person for his or her use or benefit, excluding public salary. However, this shall not be construed to require disclosure of a business partner’s sources of income. The person reporting shall list such sources in descending order of value with the largest source first;

2. All sources of income to a business entity in excess of 10 percent of the gross income of a business entity in which the reporting person held a material interest and from which he or she received an amount which was in excess of 10 percent of his or her gross income during the disclosure period and which exceeds \$1,500. The period for computing the gross income of the business entity is the fiscal year of the business entity which ended on, or immediately prior to, the end of the disclosure period of the person reporting;

3. The location or description of real property in this state, except for residences and vacation homes, owned directly or indirectly by the person reporting, when such person owns in excess of 5 percent of the value of such real property, and a general description of any intangible personal property worth in excess of 10 percent of such person’s total assets. For the purposes of this paragraph, indirect ownership does not include ownership by a spouse or minor child; and

4. Every individual liability that equals more than the reporting person's net worth; or
- (b)1. All sources of gross income in excess of \$2,500 received during the disclosure period by the person in his or her own name or by any other person for his or her use or benefit, excluding public salary. However, this shall not be construed to require disclosure of a business partner's sources of income. The person reporting shall list such sources in descending order of value with the largest source first;
2. All sources of income to a business entity in excess of 10 percent of the gross income of a business entity in which the reporting person held a material interest and from which he or she received gross income exceeding \$5,000 during the disclosure period. The period for computing the gross income of the business entity is the fiscal year of the business entity which ended on, or immediately prior to, the end of the disclosure period of the person reporting;
3. The location or description of real property in this state, except for residence and vacation homes, owned directly or indirectly by the person reporting, when such person owns in excess of 5 percent of the value of such real property, and a general description of any intangible personal property worth in excess of \$10,000. For the purpose of this paragraph, indirect ownership does not include ownership by a spouse or minor child; and
4. Every liability in excess of \$10,000.
- (4)(a) A filer may not include in a filing to the commission a social security number; a bank, mortgage, or brokerage account number; a debit, charge, or credit card number; a personal identification number; or a taxpayer identification number. If a filer includes such information in his or her filing, the information may be made available as part of the official records of the commission available for public inspection and copying unless redaction is requested by the filer. The commission is not liable for the release of social security numbers; bank account numbers; or debit, charge, or credit card numbers included in a filing to the commission if the filer has not requested redaction of the information.
- (b) The commission shall redact a filer's social security number; bank account number; debit, charge, or credit card number; or any other personal or account information that is legally protected from disclosure under state or federal law upon written notification from the filer of its inadvertent inclusion. Such notice must specify the information inadvertently included and the specific section or sections of the statement in which it was included.
- (c) The commission must conspicuously post a notice, in substantially the following form, in the instructions for the electronic filing system specifying that:
  1. Any filer submitting information through the electronic filing system may not include a social security number; a bank, mortgage, or brokerage account number; a debit, charge, or credit card number; a personal identification number; or a taxpayer identification number in any filing unless required by law.
  2. Information submitted through the electronic filing system may be open to public inspection and copying.
  3. Any filer has a right to request that the commission redact from his or her filing any social security number; bank account number; or debit, charge, or credit card number contained in the filing. Such request must be made in writing and delivered to the commission. The request must specify the information to be redacted and the specific section or sections of the disclosure in which it was included.
- (5) An officer who is required to complete annual ethics training pursuant to s. 112.3142 must certify on his or her statement of financial interests that he or she has completed the required training.
- (6) Each elected constitutional officer, state officer, local officer, and specified state employee shall file a quarterly report of the names of clients represented for a fee or commission, except for appearances in ministerial matters, before agencies at his or her level of government. For the purposes of this part, agencies of government shall be classified as state-level agencies or agencies below state level. Each state officer, elected constitutional officer, and specified state employee shall file such report with the commission. Beginning January 1, 2024, each local officer shall file such report with the commission. The report must be filed only when a reportable representation is made during the calendar quarter and must be filed no later than the last day of each calendar quarter, for the previous calendar quarter. Representation before any agency shall be deemed to include representation by such



officer or specified state employee or by any partner or associate of the professional firm of which he or she is a member and of which he or she has actual knowledge. For the purposes of this subsection, the term “representation before any agency” does not include appearances before any court or the Deputy Chief Judge of Compensation Claims or judges of compensation claims or representations on behalf of one’s agency in one’s official capacity. Such term does not include the preparation and filing of forms and applications merely for the purpose of obtaining or transferring a license based on a quota or a franchise of such agency or a license or operation permit to engage in a profession, business, or occupation, so long as the issuance or granting of such license, permit, or transfer does not require substantial discretion, a variance, a special consideration, or a certificate of public convenience and necessity.

(7) Each elected constitutional officer and each candidate for such office, any other public officer required pursuant to s. 8, Art. II of the State Constitution to file a full and public disclosure of his or her financial interests, and each state officer, local officer, specified state employee, and candidate for elective public office who is or was during the disclosure period an officer, director, partner, proprietor, or agent, other than a resident agent solely for service of process, of, or owns or owned during the disclosure period a material interest in, any business entity which is granted a privilege to operate in this state shall disclose such facts as a part of the disclosure form filed pursuant to s. 8, Art. II of the State Constitution or this section, as applicable. The statement shall give the name, address, and principal business activity of the business entity and shall state the position held with such business entity or the fact that a material interest is owned and the nature of that interest.

(8) Beginning January 1, 2024, forms for compliance with the disclosure requirements of this section and a current list of persons subject to disclosure must be created by the commission. The commission shall allow a filer to include attachments or other supporting documentation when filing a disclosure. Beginning January 1, 2024, the commission shall give notice of disclosure deadlines, delinquencies, and instructions in the following manner:

(a) Not later than May 1 of each year, the commission shall prepare a current list of the names, e-mail addresses, and physical addresses of, and the offices or positions held by, every state officer, local officer, and specified employee. Each unit of government shall assist the commission in compiling the list by providing to the commission not later than February 1 of each year the name, e-mail address, physical address, and name of agency of, and the office or position held by, each state officer, local officer, or specified state employee within the respective unit of government as of December 31 of the preceding year.

(b) The commission shall notify by e-mail, not later than June 1 of each year, all persons required to file a statement of financial interests under subsection (3) of all of the following:

1. All applicable filing deadlines for completing and filing the statement on the electronic filing system.

2. Instructions on how to complete and file the statement on the electronic filing system, or where to access such instructions.

Beginning January 1, 2024, paper forms may not be provided and persons required to file a statement of financial interests must complete and file such statements on the electronic filing system pursuant to paragraph (2)(e).

(c) Not later than August 1 of each year, the commission shall determine which persons required to file a statement of financial interests have failed to do so and shall send delinquency notices to these persons. Through December 31, 2023, delinquency notices must be sent by certified mail, return receipt requested. Each notice must state that a grace period is in effect until September 1 of the current year; that no investigative or disciplinary action based upon the delinquency will be taken by the agency head or commission if the statement is filed by September 1 of the current year; that, if the statement is not filed by September 1 of the current year, a fine of \$25 for each day late will be imposed, up to a maximum penalty of \$1,500; and that, if upon the filing of a sworn complaint the commission finds that the person has failed to timely file the statement within 60 days after September 1 of the current year, such person will also be subject to the penalties provided in s. 112.317. Beginning January 1, 2024, notice required under this paragraph must be delivered by e-mail and must be redelivered on a weekly basis by e-mail as long as the person remains delinquent.

(d) Beginning January 1, 2024, disclosure statements required to be filed with the commission must be filed by 11:59 p.m. on the due date using the commission's electronic filing system pursuant to s. 112.31446.

(e) Beginning January 1, 2023, the statement must be accompanied by a declaration as provided in s. 92.525(2) and an electronic acknowledgment thereof.

(f) Any person required to file a statement of financial interests whose name is on the commission's list, and to whom notice has been sent, but who fails to timely file is assessed a fine of \$25 per day for each day late up to a maximum of \$1,500; however, this \$1,500 limitation on automatic fines does not limit the civil penalty that may be imposed if the statement is filed more than 60 days after the deadline and a complaint is filed, as provided in s. 112.324. The commission must provide by rule the grounds for waiving the fine and procedures by which each person whose name is on the list and who is determined to have not filed in a timely manner will be notified of assessed fines and may appeal. The rule must provide for and make specific that the amount of the fine is based upon the date and time that the disclosure is filed on the electronic filing system as provided in s. 112.31446.

1. Beginning January 1, 2024, for a specified state employee, state officer, or local officer, upon receipt of the disclosure statement by the commission or upon accrual of the maximum penalty, whichever occurs first, the commission shall determine the amount of the fine which is due and shall notify the delinquent person. The notice must include an explanation of the appeal procedure under subparagraph 2. The fine must be paid within 30 days after the notice of payment due is transmitted, unless appeal is made to the commission pursuant to subparagraph 2. The moneys are to be deposited into the General Revenue Fund.

2. Any reporting person may appeal or dispute a fine, based upon unusual circumstances surrounding the failure to file on the designated due date, and may request and is entitled to a hearing before the commission, which may waive the fine in whole or in part for good cause shown. Any such request must be in writing and received by the commission within 30 days after the notice of payment due is transmitted. In such a case, the reporting person must, within the 30-day period, notify the person designated to review the timeliness of reports in writing of his or her intention to bring the matter before the commission. For purposes of this subparagraph, the term "unusual circumstances" does not include the failure to monitor an e-mail account or failure to receive notice if the person has not notified the commission of a change in his or her e-mail address.

(g) Any state officer, local officer, or specified employee whose name is not on the list of persons required to file an annual statement of financial interests is not subject to the penalties provided in s. 112.317 or the fine provided in this section for failure to timely file a statement of financial interests in any year in which the omission occurred, but nevertheless is required to file the disclosure statement.

(h) The notification requirements and fines of this subsection do not apply to candidates or to the first or final filing required of any state officer, specified employee, or local officer as provided in paragraph (2)(b).

(i) Notwithstanding any provision of chapter 120, any fine imposed under this subsection which is not waived by final order of the commission and which remains unpaid more than 60 days after the notice of payment due or more than 60 days after the commission renders a final order on the appeal must be submitted to the Department of Financial Services as a claim, debt, or other obligation owed to the state, and the department shall assign the collection of such a fine to a collection agent as provided in s. 17.20.

(9)(a) The appointing official or body shall notify each newly appointed local officer, state officer, or specified state employee, not later than the date of appointment, of the officer's or employee's duty to comply with the disclosure requirements of this section. The agency head of each employing agency shall notify each newly employed local officer or specified state employee, not later than the day of employment, of the officer's or employee's duty to comply with the disclosure requirements of this section. The appointing official or body or employing agency head may designate a person to be responsible for the notification requirements of this paragraph.

(b) The agency head of the agency of each local officer, state officer, or specified state employee who is required to file a statement of financial interests for the final disclosure period shall notify such persons of their obligation to file the final disclosure and may designate a person to be responsible for the notification requirements of this paragraph.

(c) If a person holding public office or public employment fails or refuses to file an annual statement of financial interests for any year in which the person received notice from the commission regarding the failure to file and has accrued the maximum automatic fine authorized under this section, regardless of whether the fine imposed was paid or collected, the commission shall initiate an investigation and conduct a public hearing without receipt of a complaint to determine whether the person's failure to file is willful. Such investigation and hearing must be conducted in accordance with s. 112.324. Except as provided in s. 112.324(4), if the commission determines that the person willfully failed to file a statement of financial interests, the commission shall enter an order recommending that the officer or employee be removed from his or her public office or public employment. The commission shall forward its recommendation as provided in s. 112.324.

(10) A public officer who has filed a disclosure for any calendar or fiscal year shall not be required to file a second disclosure for the same year or any part thereof, notwithstanding any requirement of this act, except that any public officer who qualifies as a candidate for public office shall file a copy of the disclosure with the officer before whom he or she qualifies as a candidate at the time of qualification.

(11)(a) The commission shall treat an amendment to an annual statement of financial interests which is filed before September 1 of the year in which the statement is due as part of the original filing, regardless of whether a complaint has been filed. If a complaint alleges only an immaterial, inconsequential, or de minimis error or omission, the commission may not take any action on the complaint other than notifying the filer of the complaint. The filer must be given 30 days to file an amendment to the statement of financial interests correcting any errors. If the filer does not file an amendment to the statement of financial interests within 30 days after the commission sends notice of the complaint, the commission may continue with proceedings pursuant to s. 112.324.

(b) For purposes of the final statement of financial interests, the commission shall treat an amendment to a final statement of financial interests as part of the original filing, if filed within 60 days of the original filing regardless of whether a complaint has been filed. If, more than 60 days after a final statement of financial interests is filed, a complaint is filed alleging a complete omission of any information required to be disclosed by this section, the commission may immediately follow the complaint procedures in s. 112.324. However, if the complaint alleges an immaterial, inconsequential, or de minimis error or omission, the commission may not take any action on the complaint other than notifying the filer of the complaint. The filer must be given 30 days to file an amendment to the final statement of financial interests correcting any errors. If the filer does not file an amendment to the final statement of financial interests within 30 days after the commission sends notice of the complaint, the commission may continue with proceedings pursuant to s. 112.324.

(c) For purposes of this section, an error or omission is immaterial, inconsequential, or de minimis if the original filing provided sufficient information for the public to identify potential conflicts of interest. However, failure to certify completion of annual ethics training required under s. 112.3142 does not constitute an immaterial, inconsequential, or de minimis error or omission.

(12)(a) An individual required to file a statement pursuant to this section may have the statement prepared by an attorney in good standing with The Florida Bar or by a certified public accountant licensed under chapter 473. After preparing a statement form, the attorney or certified public accountant must sign the form indicating that he or she prepared the form in accordance with this section and the instructions for completing and filing the disclosure forms and that, upon his or her reasonable knowledge and belief, the disclosure is true and correct. If a complaint is filed alleging a failure to disclose information required by this section, the commission shall determine whether the information was disclosed to the attorney or certified public accountant. The failure of the attorney or certified public accountant to accurately transcribe information provided by the individual who is required to file the statement does not constitute a violation of this section.

(b) An elected officer or candidate who chooses to use an attorney or a certified public accountant to prepare his or her statement may pay for the services of the attorney or certified public accountant from funds in an office account created pursuant to s. 106.141 or, during a year that the individual qualifies for election to public office, the candidate's campaign depository pursuant to s. 106.021.

(13) The commission shall adopt rules and forms specifying how a state officer, local officer, or specified state employee may amend his or her statement of financial interests to report information that was not included on the form as originally filed. If the amendment is the subject of a complaint



filed under this part, the commission and the proper disciplinary official or body shall consider as a mitigating factor when considering appropriate disciplinary action the fact that the amendment was filed before any complaint or other inquiry or proceeding, while recognizing that the public was deprived of access to information to which it was entitled.

**History.**—s. 5, ch. 74-177; ss. 2, 6, ch. 75-196; s. 2, ch. 76-18; s. 1, ch. 77-174; s. 63, ch. 77-175; s. 54, ch. 79-40; s. 3, ch. 82-98; s. 2, ch. 83-128; ss. 2, 5, ch. 83-282; s. 3, ch. 84-318; s. 1, ch. 88-316; s. 1, ch. 90-169; s. 5, ch. 90-502; s. 27, ch. 91-46; s. 6, ch. 91-85; s. 6, ch. 91-292; ss. 5, 13, ch. 94-277; s. 3, ch. 94-340; s. 1410, ch. 95-147; s. 14, ch. 96-410; s. 31, ch. 97-286; s. 17, ch. 99-399; s. 2, ch. 2000-161; s. 3, ch. 2000-243; s. 31, ch. 2000-258; s. 23, ch. 2000-372; s. 3, ch. 2001-91; s. 2, ch. 2001-282; s. 128, ch. 2003-261; s. 4, ch. 2006-275; s. 12, ch. 2007-217; s. 7, ch. 2008-6; s. 9, ch. 2013-36; s. 4, ch. 2014-183; s. 4, ch. 2019-97; ss. 94, 95, ch. 2022-157; s. 6, ch. 2023-49.

**112.31455 Collection methods for unpaid automatic fines for failure to timely file disclosure of financial interests.—**

(1) Before referring any unpaid fine accrued pursuant to s. 112.3144(8) or s. 112.3145(8) to the Department of Financial Services, the commission shall attempt to determine whether the individual owing such a fine is a current public officer or current public employee. If so, the commission may notify the Chief Financial Officer or the governing body of the appropriate county, municipality, district school board, or special district of the total amount of any fine owed to the commission by such individual.

(a) After receipt and verification of the notice from the commission, the Chief Financial Officer or the governing body of the county, municipality, district school board, or special district shall begin withholding the lesser of 10 percent or the maximum amount allowed under federal law from any salary-related payment. The withheld payments shall be remitted to the commission until the fine is satisfied.

(b) The Chief Financial Officer or the governing body of the county, municipality, district school board, or special district may retain an amount of each withheld payment, as provided in s. 77.0305, to cover the administrative costs incurred under this section.

(2) If the commission determines that the individual who is the subject of an unpaid fine accrued pursuant to s. 112.3144(8) or s. 112.3145(8) is no longer a public officer or public employee or if the commission is unable to determine whether the individual is a current public officer or public employee, the commission may, 6 months after the order becomes final, seek garnishment of any wages to satisfy the amount of the fine, or any unpaid portion thereof, pursuant to chapter 77. Upon recording the order imposing the fine with the clerk of the circuit court, the order shall be deemed a judgment for purposes of garnishment pursuant to chapter 77.

(3) The commission may refer unpaid fines to the appropriate collection agency, as directed by the Chief Financial Officer, to utilize any collection methods provided by law. Except as expressly limited by this section, any other collection methods authorized by law are allowed.

(4) Action may be taken to collect any unpaid fine imposed by ss. 112.3144 and 112.3145 within 20 years after the date the final order is rendered.

**History.**—s. 10, ch. 2013-36; s. 10, ch. 2015-2; s. 3, ch. 2018-5; s. 5, ch. 2019-97; s. 19, ch. 2020-2.

**112.3146 Public records.**—The statements required by ss. 112.313, 112.3145, 112.3148, and 112.3149 shall be public records within the meaning of s. 119.01.

**History.**—s. 6, ch. 74-177; s. 6, ch. 90-502; s. 7, ch. 91-85.

**112.3147 Forms.**—Except as otherwise provided, all information required to be furnished by ss. 112.313, 112.3143, 112.3144, 112.3145, 112.3148, and 112.3149 and by s. 8, Art. II of the State Constitution shall be on forms prescribed by the Commission on Ethics.

**History.**—s. 7, ch. 74-177; s. 3, ch. 76-18; s. 7, ch. 90-502; s. 8, ch. 91-85; s. 12, ch. 2000-243; s. 5, ch. 2006-275; s. 11, ch. 2013-36.

**112.3148 Reporting and prohibited receipt of gifts by individuals filing full or limited public disclosure of financial interests and by procurement employees.—**

(1) The provisions of this section do not apply to gifts solicited or accepted by a reporting individual or procurement employee from a relative.

(2) As used in this section:

(a) “Immediate family” means any parent, spouse, child, or sibling.

(b)1. “Lobbyist” means any natural person who, for compensation, seeks, or sought during the preceding 12 months, to influence the governmental decisionmaking of a reporting individual or procurement employee or his or her agency or seeks, or sought during the preceding 12 months, to

encourage the passage, defeat, or modification of any proposal or recommendation by the reporting individual or procurement employee or his or her agency.

2. With respect to an agency that has established by rule, ordinance, or law a registration process for persons seeking to influence decisionmaking or to encourage the passage, defeat, or modification of any proposal or recommendation by such agency or an employee or official of the agency, the term “lobbyist” includes only a person who is required to be registered as a lobbyist in accordance with such rule, ordinance, or law or who was during the preceding 12 months required to be registered as a lobbyist in accordance with such rule, ordinance, or law. At a minimum, such a registration system must require the registration of, or must designate, persons as “lobbyists” who engage in the same activities as require registration to lobby the Legislature pursuant to s. 11.045.

(c) “Person” includes individuals, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups or combinations.

(d) “Reporting individual” means any individual, including a candidate upon qualifying, who is required by law, pursuant to s. 8, Art. II of the State Constitution or s. 112.3145, to file full or limited public disclosure of his or her financial interests or any individual who has been elected to, but has yet to officially assume the responsibilities of, public office. For purposes of implementing this section, the “agency” of a reporting individual who is not an officer or employee in public service is the agency to which the candidate seeks election, or in the case of an individual elected to but yet to formally take office, the agency in which the individual has been elected to serve.

(e) “Procurement employee” means any employee of an officer, department, board, commission, council, or agency of the executive branch or judicial branch of state government who has participated in the preceding 12 months through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, or auditing or in any other advisory capacity in the procurement of contractual services or commodities as defined in s. 287.012, if the cost of such services or commodities exceeds or is expected to exceed \$10,000 in any fiscal year.

(f) “Vendor” means a business entity doing business directly with an agency, such as renting, leasing, or selling any realty, goods, or services.

(3) A reporting individual or procurement employee is prohibited from soliciting any gift from a vendor doing business with the reporting individual’s or procurement employee’s agency, a political committee as defined in s. 106.011, or a lobbyist who lobbies the reporting individual’s or procurement employee’s agency, or the partner, firm, employer, or principal of such lobbyist, where such gift is for the personal benefit of the reporting individual or procurement employee, another reporting individual or procurement employee, or any member of the immediate family of a reporting individual or procurement employee.

(4) A reporting individual or procurement employee or any other person on his or her behalf is prohibited from knowingly accepting, directly or indirectly, a gift from a vendor doing business with the reporting individual’s or procurement employee’s agency, a political committee as defined in s. 106.011, or a lobbyist who lobbies the reporting individual’s or procurement employee’s agency, or directly or indirectly on behalf of the partner, firm, employer, or principal of a lobbyist, if he or she knows or reasonably believes that the gift has a value in excess of \$100; however, such a gift may be accepted by such person on behalf of a governmental entity or a charitable organization. If the gift is accepted on behalf of a governmental entity or charitable organization, the person receiving the gift shall not maintain custody of the gift for any period of time beyond that reasonably necessary to arrange for the transfer of custody and ownership of the gift.

(5)(a) A vendor doing business with the reporting individual’s or procurement employee’s agency; a political committee as defined in s. 106.011; a lobbyist who lobbies a reporting individual’s or procurement employee’s agency; the partner, firm, employer, or principal of a lobbyist; or another on behalf of the lobbyist or partner, firm, principal, or employer of the lobbyist is prohibited from giving, either directly or indirectly, a gift that has a value in excess of \$100 to the reporting individual or procurement employee or any other person on his or her behalf; however, such person may give a gift having a value in excess of \$100 to a reporting individual or procurement employee if the gift is intended to be transferred to a governmental entity or a charitable organization.

(b) However, a person who is regulated by this subsection, who is not regulated by subsection (6), and who makes, or directs another to make, an individual gift having a value in excess of \$25, but not

in excess of \$100, other than a gift that the donor knows will be accepted on behalf of a governmental entity or charitable organization, must file a report on the last day of each calendar quarter for the previous calendar quarter in which a reportable gift is made. The report shall be filed with the Commission on Ethics, except with respect to gifts to reporting individuals of the legislative branch, in which case the report shall be filed with the Office of Legislative Services. The report must contain a description of each gift, the monetary value thereof, the name and address of the person making such gift, the name and address of the recipient of the gift, and the date such gift is given. In addition, if a gift is made which requires the filing of a report under this subsection, the donor must notify the intended recipient at the time the gift is made that the donor, or another on his or her behalf, will report the gift under this subsection. Under this paragraph, a gift need not be reported by more than one person or entity.

(6)(a) Notwithstanding the provisions of subsection (5), an entity of the legislative or judicial branch, a department or commission of the executive branch, a water management district created pursuant to s. 373.069, South Florida Regional Transportation Authority, a county, a municipality, an airport authority, or a school board may give, either directly or indirectly, a gift having a value in excess of \$100 to any reporting individual or procurement employee if a public purpose can be shown for the gift; and a direct-support organization specifically authorized by law to support a governmental entity may give such a gift to a reporting individual or procurement employee who is an officer or employee of such governmental entity.

(b) Notwithstanding the provisions of subsection (4), a reporting individual or procurement employee may accept a gift having a value in excess of \$100 from an entity of the legislative or judicial branch, a department or commission of the executive branch, a water management district created pursuant to s. 373.069, South Florida Regional Transportation Authority, a county, a municipality, an airport authority, or a school board if a public purpose can be shown for the gift; and a reporting individual or procurement employee who is an officer or employee of a governmental entity supported by a direct-support organization specifically authorized by law to support such governmental entity may accept such a gift from such direct-support organization.

(c) No later than March 1 of each year, each governmental entity or direct-support organization specifically authorized by law to support a governmental entity which has given a gift to a reporting individual or procurement employee under paragraph (a) shall provide the reporting individual or procurement employee with a statement of each gift having a value in excess of \$100 given to such reporting individual or procurement employee by the governmental entity or direct-support organization during the preceding calendar year. Such report shall contain a description of each gift, the date on which the gift was given, and the value of the total gifts given by the governmental entity or direct-support organization to the reporting individual or procurement employee during the calendar year for which the report is made. A governmental entity may provide a single report to the reporting individual or procurement employee of gifts provided by the governmental entity and any direct-support organization specifically authorized by law to support such governmental entity.

(d) No later than July 1 of each year, each reporting individual or procurement employee shall file a statement listing each gift having a value in excess of \$100 received by the reporting individual or procurement employee, either directly or indirectly, from a governmental entity or a direct-support organization specifically authorized by law to support a governmental entity. The statement shall list the name of the person providing the gift, a description of the gift, the date or dates on which the gift was given, and the value of the total gifts given during the calendar year for which the report is made. The reporting individual or procurement employee shall attach to the statement any report received by him or her in accordance with paragraph (c), which report shall become a public record when filed with the statement of the reporting individual or procurement employee. The reporting individual or procurement employee may explain any differences between the report of the reporting individual or procurement employee and the attached reports. The annual report filed by a reporting individual shall be filed with the financial disclosure statement required by either s. 8, Art. II of the State Constitution or s. 112.3145, as applicable to the reporting individual. The annual report filed by a procurement employee shall be filed with the Commission on Ethics. The report filed by a reporting individual or procurement employee who left office or employment during the calendar year covered by the report shall be filed by July 1 of the year after leaving office or employment at the same location as his or her

final financial disclosure statement or, in the case of a former procurement employee, with the Commission on Ethics.

(7)(a) The value of a gift provided to a reporting individual or procurement employee shall be determined using actual cost to the donor, less taxes and gratuities, except as otherwise provided in this subsection, and, with respect to personal services provided by the donor, the reasonable and customary charge regularly charged for such service in the community in which the service is provided shall be used. If additional expenses are required as a condition precedent to eligibility of the donor to purchase or provide a gift and such expenses are primarily for the benefit of the donor or are of a charitable nature, such expenses shall not be included in determining the value of the gift.

(b) Compensation provided by the donee to the donor, if provided within 90 days after receipt of the gift, shall be deducted from the value of the gift in determining the value of the gift.

(c) If the actual gift value attributable to individual participants at an event cannot be determined, the total costs shall be prorated among all invited persons, whether or not they are reporting individuals or procurement employees.

(d) Transportation shall be valued on a round-trip basis unless only one-way transportation is provided. Round-trip transportation expenses shall be considered a single gift. Transportation provided in a private conveyance shall be given the same value as transportation provided in a comparable commercial conveyance.

(e) Lodging provided on consecutive days shall be considered a single gift. Lodging in a private residence shall be valued at the per diem rate provided in s. 112.061(6)(a)1. less the meal allowance rate provided in s. 112.061(6)(b).

(f) Food and beverages which are not consumed at a single sitting or meal and which are provided on the same calendar day shall be considered a single gift, and the total value of all food and beverages provided on that date shall be considered the value of the gift. Food and beverage consumed at a single sitting or meal shall be considered a single gift, and the value of the food and beverage provided at that sitting or meal shall be considered the value of the gift.

(g) Membership dues paid to the same organization during any 12-month period shall be considered a single gift.

(h) Entrance fees, admission fees, or tickets shall be valued on the face value of the ticket or fee, or on a daily or per event basis, whichever is greater.

(i) Except as otherwise specified in this section, a gift shall be valued on a per occurrence basis.

(j) The value of a gift provided to several individuals may be attributed on a pro rata basis among all of the individuals. If the gift is food, beverage, entertainment, or similar items, provided at a function for more than 10 people, the value of the gift to each individual shall be the total value of the items provided divided by the number of persons invited to the function, unless the items are purchased on a per person basis, in which case the value of the gift to each person is the per person cost.

(k) The value of a gift of an admission ticket shall not include that portion of the cost which represents a charitable contribution, if the gift is provided by the charitable organization.

(8)(a) Each reporting individual or procurement employee shall file a statement with the Commission on Ethics not later than the last day of each calendar quarter, for the previous calendar quarter, containing a list of gifts which he or she believes to be in excess of \$100 in value, if any, accepted by him or her, for which compensation was not provided by the donee to the donor within 90 days of receipt of the gift to reduce the value to \$100 or less, except the following:

1. Gifts from relatives.
2. Gifts prohibited by subsection (4) or s. 112.313(4).
3. Gifts otherwise required to be disclosed by this section.

(b) The statement shall include:

1. A description of the gift, the monetary value of the gift, the name and address of the person making the gift, and the dates thereof. If any of these facts, other than the gift description, are unknown or not applicable, the report shall so state.

2. A copy of any receipt for such gift provided to the reporting individual or procurement employee by the donor.

(c) The statement may include an explanation of any differences between the reporting individual's or procurement employee's statement and the receipt provided by the donor.

(d) The reporting individual's or procurement employee's statement shall be sworn to by such person as being a true, accurate, and total listing of all such gifts.

(e) Statements must be filed not later than 5 p.m. of the due date. However, any statement that is postmarked by the United States Postal Service by midnight of the due date is deemed to have been filed in a timely manner, and a certificate of mailing obtained from and dated by the United States Postal Service at the time of the mailing, or a receipt from an established courier company, which bears a date on or before the due date constitutes proof of mailing in a timely manner.

(f) If a reporting individual or procurement employee has not received any gifts described in paragraph (a) during a calendar quarter, he or she is not required to file a statement under this subsection for that calendar quarter.

(9) A person, other than a lobbyist regulated under s. 11.045, who violates the provisions of subsection (5) commits a noncriminal infraction, punishable by a fine of not more than \$5,000 and by a prohibition on lobbying, or employing a lobbyist to lobby, before the agency of the reporting individual or procurement employee to which the gift was given in violation of subsection (5), for a period of not more than 24 months. The state attorney, or an agency, if otherwise authorized, may initiate an action to impose or recover a fine authorized under this section or to impose or enforce a limitation on lobbying provided in this section.

(10) A member of the Legislature may request an advisory opinion from the general counsel of the house of which he or she is a member as to the application of this section to a specific situation. The general counsel shall issue the opinion within 10 days after receiving the request. The member of the Legislature may reasonably rely on such opinion.

**History.**—s. 2, ch. 89-380; s. 8, ch. 90-502; s. 9, ch. 91-85; s. 7, ch. 91-292; s. 6, ch. 94-277; s. 1411, ch. 95-147; s. 2, ch. 96-328; s. 8, ch. 98-136; s. 4, ch. 2000-243; s. 32, ch. 2000-258; s. 8, ch. 2003-159; s. 6, ch. 2006-275; s. 4, ch. 2012-51; s. 12, ch. 2013-36; s. 29, ch. 2013-37; s. 3, ch. 2013-235.

#### **112.31485 Prohibition on gifts involving political committees.—**

(1)(a) For purposes of this section, the term “gift” means any purchase, payment, distribution, loan, advance, transfer of funds, or disbursement of money or anything of value that is not primarily related to contributions, expenditures, or other political activities authorized pursuant to chapter 106.

(b) For purposes of this section, the term “immediate family” means any parent, spouse, child, or sibling.

(2)(a) A reporting individual or procurement employee or a member of his or her immediate family is prohibited from soliciting or knowingly accepting, directly or indirectly, any gift from a political committee.

(b) A political committee is prohibited from giving, directly or indirectly, any gift to a reporting individual or procurement employee or a member of his or her immediate family.

(3) Any person who violates this section is subject to a civil penalty equal to three times the amount of the gift. Such penalty is in addition to the penalties provided in s. 112.317 and shall be paid to the General Revenue Fund of the state. A reporting individual or procurement employee or a member of his or her immediate family who violates this section is personally liable for payment of the treble penalty. Any agent or person acting on behalf of a political committee who gives a prohibited gift is personally liable for payment of the treble penalty.

**History.**—s. 13, ch. 2013-36.

#### **112.3149 Solicitation and disclosure of honoraria.—**

(1) As used in this section:

(a) “Honorarium” means a payment of money or anything of value, directly or indirectly, to a reporting individual or procurement employee, or to any other person on his or her behalf, as consideration for:

1. A speech, address, oration, or other oral presentation by the reporting individual or procurement employee, regardless of whether presented in person, recorded, or broadcast over the media.

2. A writing by the reporting individual or procurement employee, other than a book, which has been or is intended to be published.

The term “honorarium” does not include the payment for services related to employment held outside the reporting individual's or procurement employee's public position which resulted in the person becoming a reporting individual or procurement employee, any ordinary payment or salary received in consideration for services related to the reporting individual's or procurement employee's public duties,



a campaign contribution reported pursuant to chapter 106, or the payment or provision of actual and reasonable transportation, lodging, and food and beverage expenses related to the honorarium event, including any event or meeting registration fee, for a reporting individual or procurement employee and spouse.

(b) “Person” includes individuals, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups or combinations.

(c) “Reporting individual” means any individual who is required by law, pursuant to s. 8, Art. II of the State Constitution or s. 112.3145, to file a full or limited public disclosure of his or her financial interests.

(d)1. “Lobbyist” means any natural person who, for compensation, seeks, or sought during the preceding 12 months, to influence the governmental decisionmaking of a reporting individual or procurement employee or his or her agency or seeks, or sought during the preceding 12 months, to encourage the passage, defeat, or modification of any proposal or recommendation by the reporting individual or procurement employee or his or her agency.

2. With respect to an agency that has established by rule, ordinance, or law a registration process for persons seeking to influence decisionmaking or to encourage the passage, defeat, or modification of any proposal or recommendation by such agency or an employee or official of the agency, the term “lobbyist” includes only a person who is required to be registered as a lobbyist in accordance with such rule, ordinance, or law or who was during the preceding 12 months required to be registered as a lobbyist in accordance with such rule, ordinance, or law. At a minimum, such a registration system must require the registration of, or must designate, persons as “lobbyists” who engage in the same activities as require registration to lobby the Legislature pursuant to s. 11.045.

(e) “Procurement employee” means any employee of an officer, department, board, commission, council, or agency of the executive branch or judicial branch of state government who has participated in the preceding 12 months through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, or auditing or in any other advisory capacity in the procurement of contractual services or commodities as defined in s. 287.012, if the cost of such services or commodities exceeds \$10,000 in any fiscal year.

(f) “Vendor” means a business entity doing business directly with an agency, such as renting, leasing, or selling any realty, goods, or services.

(2) A reporting individual or procurement employee is prohibited from soliciting an honorarium which is related to the reporting individual’s or procurement employee’s public office or duties.

(3) A reporting individual or procurement employee is prohibited from knowingly accepting an honorarium from a political committee, as defined in s. 106.011, from a vendor doing business with the reporting individual’s or procurement employee’s agency, from a lobbyist who lobbies the reporting individual’s or procurement employee’s agency, or from the employer, principal, partner, or firm of such a lobbyist.

(4) A political committee, as defined in s. 106.011, a vendor doing business with the reporting individual’s or procurement employee’s agency, a lobbyist who lobbies a reporting individual’s or procurement employee’s agency, or the employer, principal, partner, or firm of such a lobbyist is prohibited from giving an honorarium to a reporting individual or procurement employee.

(5) A person who is prohibited by subsection (4) from paying an honorarium to a reporting individual or procurement employee, but who provides a reporting individual or procurement employee, or a reporting individual or procurement employee and his or her spouse, with expenses related to an honorarium event, shall provide to the reporting individual or procurement employee, no later than 60 days after the honorarium event, a statement listing the name and address of the person providing the expenses, a description of the expenses provided each day, and the total value of the expenses provided for the honorarium event.

(6) A reporting individual or procurement employee who receives payment or provision of expenses related to any honorarium event from a person who is prohibited by subsection (4) from paying an honorarium to a reporting individual or procurement employee shall publicly disclose on an annual statement the name, address, and affiliation of the person paying or providing the expenses; the amount of the honorarium expenses; the date of the honorarium event; a description of the expenses paid or provided on each day of the honorarium event; and the total value of the expenses provided to

the reporting individual or procurement employee in connection with the honorarium event. The annual statement of honorarium expenses shall be filed by July 1 of each year for those expenses received during the previous calendar year. The reporting individual or procurement employee shall attach to the annual statement a copy of each statement received by him or her in accordance with subsection (5) regarding honorarium expenses paid or provided during the calendar year for which the annual statement is filed. The attached statement shall become a public record upon the filing of the annual report. The annual statement of a reporting individual shall be filed with the financial disclosure statement required by either s. 8, Art. II of the State Constitution or s. 112.3145, as applicable to the reporting individual. The annual statement of a procurement employee shall be filed with the Commission on Ethics. The statement filed by a reporting individual or procurement employee who left office or employment during the calendar year covered by the statement shall be filed by July 1 of the year after leaving office or employment at the same location as his or her final financial disclosure statement or, in the case of a former procurement employee, with the Commission on Ethics.

(7) A person, other than a lobbyist regulated under s. 11.045, who violates the provisions of subsection (4) commits a noncriminal infraction, punishable by a fine of not more than \$5,000 and by a prohibition on lobbying, or employing a lobbyist to lobby, before the agency of the reporting individual or procurement employee to whom the honorarium was paid in violation of subsection (4), for a period of not more than 24 months. The state attorney, or an agency, if otherwise authorized, may initiate an action to impose or recover a fine authorized under this section or to impose or enforce a limitation on lobbying provided in this section.

(8) A member of the Legislature may request an advisory opinion from the general counsel of the house of which he or she is a member as to the application of this section to a specific situation. The general counsel shall issue the opinion within 10 days after receiving the request. The member of the Legislature may reasonably rely on such opinion.

**History.**—s. 9, ch. 90-502; s. 7, ch. 94-277; s. 1412, ch. 95-147; s. 5, ch. 2000-243; s. 33, ch. 2000-258; s. 7, ch. 2006-275; s. 14, ch. 2013-36; s. 30, ch. 2013-37.

**112.3151 Extensions of time for filing disclosure.**—The Commission on Ethics may grant, for good cause, on an individual basis, an extension of time for filing of any disclosure required under the provisions of this part or s. 8(a), Art. II of the State Constitution. However, no extension may extend the filing deadline to a date within 20 days before a primary election. The commission may delegate to its chair the authority to grant any extension of time which the commission itself may grant under this section; however, no extension of time granted by the chair may exceed 45 days. Extensions of time granted under this section shall be exempt from the provisions of chapter 120.

**History.**—s. 4, ch. 83-282; s. 700, ch. 95-147.

**112.316 Construction.**—It is not the intent of this part, nor shall it be construed, to prevent any officer or employee of a state agency or county, city, or other political subdivision of the state or any legislator or legislative employee from accepting other employment or following any pursuit which does not interfere with the full and faithful discharge by such officer, employee, legislator, or legislative employee of his or her duties to the state or the county, city, or other political subdivision of the state involved.

**History.**—s. 6, ch. 67-469; s. 2, ch. 69-335; s. 701, ch. 95-147.

**112.317 Penalties.**—

(1) Any violation of this part, including, but not limited to, failure to file disclosures required by this part or violation of any standard of conduct imposed by this part, or any violation of s. 8, Art. II of the State Constitution, in addition to any criminal penalty or other civil penalty involved, under applicable constitutional and statutory procedures, constitutes grounds for, and may be punished by, one or more of the following:

(a) In the case of a public officer:

1. Impeachment.
2. Removal from office.
3. Suspension from office.
4. Public censure and reprimand.
5. Forfeiture of no more than one-third of his or her salary per month for no more than 12 months.
6. A civil penalty not to exceed \$20,000.



7. Restitution of any pecuniary benefits received because of the violation committed. The commission may recommend that the restitution penalty be paid to the agency of which the public officer was a member or to the General Revenue Fund.

(b) In the case of an employee or a person designated as a public officer by this part who otherwise would be deemed to be an employee:

1. Dismissal from employment.
2. Suspension from employment for not more than 90 days without pay.
3. Demotion.
4. Reduction in his or her salary level.
5. Forfeiture of no more than one-third salary per month for no more than 12 months.
6. A civil penalty not to exceed \$20,000.

7. Restitution of any pecuniary benefits received because of the violation committed. The commission may recommend that the restitution penalty be paid to the agency by which the public employee was employed, or of which the officer was deemed to be an employee, or to the General Revenue Fund.

8. Public censure and reprimand.

(c) In the case of a candidate who violates this part or s. 8(a) and (i), Art. II of the State Constitution:

1. Disqualification from being on the ballot.
2. Public censure.
3. Reprimand.
4. A civil penalty not to exceed \$20,000.

(d) In the case of a former public officer or employee who has violated a provision applicable to former officers or employees or whose violation occurred before the officer's or employee's leaving public office or employment:

1. Public censure and reprimand.
2. A civil penalty not to exceed \$20,000.
3. Restitution of any pecuniary benefits received because of the violation committed. The

commission may recommend that the restitution penalty be paid to the agency of the public officer or employee or to the General Revenue Fund.

(e) In the case of a person who is subject to the standards of this part, other than a lobbyist or lobbying firm under s. 112.3215 for a violation of s. 112.3215, but who is not a public officer or employee:

1. Public censure and reprimand.
2. A civil penalty not to exceed \$20,000.
3. Restitution of any pecuniary benefits received because of the violation committed. The

commission may recommend that the restitution penalty be paid to the agency of the person or to the General Revenue Fund.

(2) In any case in which the commission finds a violation of this part or of s. 8, Art. II of the State Constitution and the proper disciplinary official or body under s. 112.324 imposes a civil penalty or restitution penalty, the Attorney General shall bring a civil action to recover such penalty. No defense may be raised in the civil action to enforce the civil penalty or order of restitution that could have been raised by judicial review of the administrative findings and recommendations of the commission by certiorari to the district court of appeal. The Attorney General shall collect any costs, attorney fees, expert witness fees, or other costs of collection incurred in bringing the action.

(3) The penalties prescribed in this part shall not be construed to limit or to conflict with:

(a) The power of either house of the Legislature to discipline its own members or impeach a public officer.

(b) The power of agencies to discipline officers or employees.

(4) Any violation of this part or of s. 8, Art. II of the State Constitution by a public officer constitutes malfeasance, misfeasance, or neglect of duty in office within the meaning of s. 7, Art. IV of the State Constitution.

(5) By order of the Governor, upon recommendation of the commission, any elected municipal officer who violates this part or s. 8, Art. II of the State Constitution may be suspended from office and the office filled by appointment for the period of suspension. The suspended officer may at any time

before removal be reinstated by the Governor. The Senate may, in proceedings prescribed by law, remove from office, or reinstate, the suspended official, and for such purpose the Senate may be convened in special session by its President or by a majority of its membership.

(6) In any case in which the commission finds probable cause to believe that a complainant has committed perjury in regard to any document filed with, or any testimony given before, the commission, it shall refer such evidence to the appropriate law enforcement agency for prosecution and taxation of costs.

(7) In any case in which the commission determines that a person has filed a complaint against a public officer or employee with a malicious intent to injure the reputation of such officer or employee by filing the complaint with knowledge that the complaint contains one or more false allegations or with reckless disregard for whether the complaint contains false allegations of fact material to a violation of this part, the complainant shall be liable for costs plus reasonable attorney fees incurred in the defense of the person complained against, including the costs and reasonable attorney fees incurred in proving entitlement to and the amount of costs and fees. If the complainant fails to pay such costs and fees voluntarily within 30 days following such finding by the commission, the commission shall forward such information to the Department of Legal Affairs, which shall bring a civil action in a court of competent jurisdiction to recover the amount of such costs and fees awarded by the commission.

**History.**—s. 7, ch. 67-469; s. 1, ch. 70-144; s. 2, ch. 74-176; s. 8, ch. 74-177; s. 2, ch. 75-199; s. 7, ch. 75-208; s. 5, ch. 82-98; s. 10, ch. 90-502; s. 10, ch. 91-85; s. 8, ch. 94-277; s. 1413, ch. 95-147; s. 1, ch. 95-354; s. 13, ch. 2000-151; s. 8, ch. 2006-275; s. 2, ch. 2009-126; s. 15, ch. 2013-36; s. 1, ch. 2020-182; s. 7, ch. 2023-49.

**112.3173 Felonies involving breach of public trust and other specified offenses by public officers and employees; forfeiture of retirement benefits.—**

(1) **INTENT.**—It is the intent of the Legislature to implement the provisions of s. 8(d), Art. II of the State Constitution.

(2) **DEFINITIONS.**—As used in this section, unless the context otherwise requires, the term:

(a) “Conviction” and “convicted” mean an adjudication of guilt by a court of competent jurisdiction; a plea of guilty or of nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.

(b) “Court” means any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense.

(c) “Public officer or employee” means an officer or employee of any public body, political subdivision, or public instrumentality within the state.

(d) “Public retirement system” means any retirement system or plan to which the provisions of part VII of this chapter apply.

(e) “Specified offense” means:

1. The committing, aiding, or abetting of an embezzlement of public funds;
2. The committing, aiding, or abetting of any theft by a public officer or employee from his or her employer;
3. Bribery in connection with the employment of a public officer or employee;
4. Any felony specified in chapter 838, except ss. 838.15 and 838.16;
5. The committing of an impeachable offense;
6. The committing of any felony by a public officer or employee who, willfully and with intent to defraud the public or the public agency for which the public officer or employee acts or in which he or she is employed of the right to receive the faithful performance of his or her duty as a public officer or employee, realizes or obtains, or attempts to realize or obtain, a profit, gain, or advantage for himself or herself or for some other person through the use or attempted use of the power, rights, privileges, duties, or position of his or her public office or employment position; or

7. The committing on or after October 1, 2008, of any felony defined in s. 800.04 against a victim younger than 16 years of age, or any felony defined in chapter 794 against a victim younger than 18 years of age, by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.

(3) **FORFEITURE.**—Any public officer or employee who is convicted of a specified offense committed prior to retirement, or whose office or employment is terminated by reason of his or her admitted commission, aid, or abetment of a specified offense, shall forfeit all rights and benefits under

any public retirement system of which he or she is a member, except for the return of his or her accumulated contributions as of the date of termination.

(4) NOTICE.—

(a) The clerk of a court in which a proceeding involving a specified offense is being conducted against a public officer or employee shall furnish notice of the proceeding to the Commission on Ethics after the state attorney advises the clerk that the defendant is a public officer or employee and that the defendant is alleged to have committed a specified offense. Such notice is sufficient if it is in the form of a copy of the indictment, information, or other document containing the charges. In addition, if a verdict of guilty is returned by a jury or by the court trying the case without a jury, or a plea of guilty or of nolo contendere is entered in the court by the public officer or employee, the clerk shall furnish a copy thereof to the Commission on Ethics.

(b) The Secretary of the Senate shall furnish to the Commission on Ethics notice of any proceeding of impeachment being conducted by the Senate. In addition, if such trial results in conviction, the Secretary of the Senate shall furnish notice of the conviction to the commission.

(c) The employer of any member whose office or employment is terminated by reason of his or her admitted commission, aid, or abetment of a specified offense shall forward notice thereof to the commission.

(d) The Commission on Ethics shall forward any notice and any other document received by it pursuant to this subsection to the governing body of the public retirement system of which the public officer or employee is a member or from which the public officer or employee may be entitled to receive a benefit. When called on by the Commission on Ethics, the Department of Management Services shall assist the commission in identifying the appropriate public retirement system.

(5) FORFEITURE DETERMINATION.—

(a) Whenever the official or board responsible for paying benefits under a public retirement system receives notice pursuant to subsection (4), or otherwise has reason to believe that the rights and privileges of any person under such system are required to be forfeited under this section, such official or board shall give notice and hold a hearing in accordance with chapter 120 for the purpose of determining whether such rights and privileges are required to be forfeited. If the official or board determines that such rights and privileges are required to be forfeited, the official or board shall order such rights and privileges forfeited.

(b) Any order of forfeiture of retirement system rights and privileges is appealable to the district court of appeal.

(c) The payment of retirement benefits ordered forfeited, except payments drawn from nonemployer contributions to the retiree's account, shall be stayed pending an appeal as to a felony conviction. If such conviction is reversed, no retirement benefits shall be forfeited. If such conviction is affirmed, retirement benefits shall be forfeited as ordered in this section.

(d) If any person's rights and privileges under a public retirement system are forfeited pursuant to this section and that person has received benefits from the system in excess of his or her accumulated contributions, such person shall pay back to the system the amount of the benefits received in excess of his or her accumulated contributions. If he or she fails to pay back such amount, the official or board responsible for paying benefits pursuant to the retirement system or pension plan may bring an action in circuit court to recover such amount, plus court costs.

(6) FORFEITURE NONEXCLUSIVE.—

(a) The forfeiture of retirement rights and privileges pursuant to this section is supplemental to any other forfeiture requirements provided by law.

(b) This section does not preclude or otherwise limit the Commission on Ethics in conducting under authority of other law an independent investigation of a complaint which it may receive against a public officer or employee involving a specified offense.

**History.**—s. 14, ch. 84-266; s. 4, ch. 90-301; s. 44, ch. 92-279; s. 55, ch. 92-326; s. 22, ch. 94-249; s. 1414, ch. 95-147; s. 13, ch. 99-255; s. 3, ch. 2008-108; s. 14, ch. 2012-100.

**112.3175 Remedies; contracts voidable.—**

(1) Any contract that has been executed in violation of this part is voidable:

(a) By any party to the contract.

(b) In any circuit court, by any appropriate action, by:

1. The commission.

2. The Attorney General.

3. Any citizen materially affected by the contract and residing in the jurisdiction represented by the officer or agency entering into such contract.

(2) Any contract that has been executed in violation of this part is presumed void with respect to any former employee or former public official of a state agency and is voidable with respect to any private sector third party who employs or retains in any capacity such former agency employee or former public official.

**History.**—s. 8, ch. 75-208; s. 2, ch. 2001-266.

**112.3185 Additional standards for state agency employees.—**

(1) For the purposes of this section:

(a) “Contractual services” shall be defined as set forth in chapter 287.

(b) “Agency” means any state officer, department, board, commission, or council of the executive or judicial branch of state government and includes the Public Service Commission.

(2) An agency employee who participates through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, or auditing or in any other advisory capacity in the procurement of contractual services may not become or be, while an agency employee, the employee of a person contracting with the agency by whom the employee is employed.

(3) An agency employee may not, after retirement or termination, have or hold any employment or contractual relationship with any business entity other than an agency in connection with any contract in which the agency employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, or investigation while an officer or employee. When the agency employee’s position is eliminated and his or her duties are performed by the business entity, this subsection does not prohibit him or her from employment or contractual relationship with the business entity if the employee’s participation in the contract was limited to recommendation, rendering of advice, or investigation and if the agency head determines that the best interests of the state will be served thereby and provides prior written approval for the particular employee.

(4) An agency employee may not, within 2 years after retirement or termination, have or hold any employment or contractual relationship with any business entity other than an agency in connection with any contract for contractual services which was within his or her responsibility while an employee. If the agency employee’s position is eliminated and his or her duties are performed by the business entity, this subsection may be waived by the agency head through prior written approval for a particular employee if the agency head determines that the best interests of the state will be served thereby.

(5) The sum of money paid to a former agency employee during the first year after the cessation of his or her responsibilities, by the agency with whom he or she was employed, for contractual services provided to the agency, shall not exceed the annual salary received on the date of cessation of his or her responsibilities. This subsection may be waived by the agency head for a particular contract if the agency head determines that such waiver will result in significant time or cost savings for the state.

(6) An agency employee acting in an official capacity may not directly or indirectly procure contractual services for his or her own agency from any business entity of which a relative is an officer, partner, director, or proprietor or in which the officer or employee or his or her spouse or child, or any combination of them, has a material interest.

(7) A violation of any provision of this section is punishable in accordance with s. 112.317.

(8) This section is not applicable to any employee of the Public Service Commission who was so employed on or before December 31, 1994.

**History.**—s. 6, ch. 82-196; s. 32, ch. 83-217; s. 2, ch. 90-268; s. 11, ch. 90-502; s. 9, ch. 94-277; s. 1415, ch. 95-147; s. 9, ch. 2006-275.

**112.3187 Adverse action against employee for disclosing information of specified nature prohibited; employee remedy and relief.—**

(1) **SHORT TITLE.**—Sections 112.3187-112.31895 may be cited as the “Whistle-blower’s Act.”

(2) **LEGISLATIVE INTENT.**—It is the intent of the Legislature to prevent agencies or independent contractors from taking retaliatory action against an employee who reports to an appropriate agency violations of law on the part of a public employer or independent contractor that create a substantial and specific danger to the public’s health, safety, or welfare. It is further the intent of the Legislature to prevent agencies or independent contractors from taking retaliatory action against any person who discloses information to an appropriate agency alleging improper use of governmental office, gross

waste of funds, or any other abuse or gross neglect of duty on the part of an agency, public officer, or employee.

(3) **DEFINITIONS.**—As used in this act, unless otherwise specified, the following words or terms shall have the meanings indicated:

(a) “Adverse personnel action” means the discharge, suspension, transfer, or demotion of any employee or the withholding of bonuses, the reduction in salary or benefits, or any other adverse action taken against an employee within the terms and conditions of employment by an agency or independent contractor.

(b) “Agency” means any state, regional, county, local, or municipal government entity, whether executive, judicial, or legislative; any official, officer, department, division, bureau, commission, authority, or political subdivision therein; or any public school, community college, or state university.

(c) “Employee” means a person who performs services for, and under the control and direction of, or contracts with, an agency or independent contractor for wages or other remuneration.

(d) “Gross mismanagement” means a continuous pattern of managerial abuses, wrongful or arbitrary and capricious actions, or fraudulent or criminal conduct which may have a substantial adverse economic impact.

(e) “Independent contractor” means a person, other than an agency, engaged in any business and who enters into a contract, including a provider agreement, with an agency.

(4) **ACTIONS PROHIBITED.**—

(a) An agency or independent contractor shall not dismiss, discipline, or take any other adverse personnel action against an employee for disclosing information pursuant to the provisions of this section.

(b) An agency or independent contractor shall not take any adverse action that affects the rights or interests of a person in retaliation for the person’s disclosure of information under this section.

(c) The provisions of this subsection shall not be applicable when an employee or person discloses information known by the employee or person to be false.

(5) **NATURE OF INFORMATION DISCLOSED.**—The information disclosed under this section must include:

(a) Any violation or suspected violation of any federal, state, or local law, rule, or regulation committed by an employee or agent of an agency or independent contractor which creates and presents a substantial and specific danger to the public’s health, safety, or welfare.

(b) Any act or suspected act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, suspected or actual Medicaid fraud or abuse, or gross neglect of duty committed by an employee or agent of an agency or independent contractor.

(6) **TO WHOM INFORMATION DISCLOSED.**—The information disclosed under this section must be disclosed to any agency or federal government entity having the authority to investigate, police, manage, or otherwise remedy the violation or act, including, but not limited to, the Office of the Chief Inspector General, an agency inspector general or the employee designated as agency inspector general under s. 112.3189(1) or inspectors general under s. 20.055, the Florida Commission on Human Relations, and the whistle-blower’s hotline created under s. 112.3189. However, for disclosures concerning a local governmental entity, including any regional, county, or municipal entity, special district, community college district, or school district or any political subdivision of any of the foregoing, the information must be disclosed to a chief executive officer as defined in s. 447.203(9) or other appropriate local official.

(7) **EMPLOYEES AND PERSONS PROTECTED.**—This section protects employees and persons who disclose information on their own initiative in a written and signed complaint; who are requested to participate in an investigation, hearing, or other inquiry conducted by any agency or federal government entity; who refuse to participate in any adverse action prohibited by this section; or who initiate a complaint through the whistle-blower’s hotline or the hotline of the Medicaid Fraud Control Unit of the Department of Legal Affairs; or employees who file any written complaint to their supervisory officials or employees who submit a complaint to the Chief Inspector General in the Executive Office of the Governor, to the employee designated as agency inspector general under s. 112.3189(1), or to the Florida Commission on Human Relations. The provisions of this section may not be used by a person while he or she is under the care, custody, or control of the state correctional system or, after release from the care, custody, or control of the state correctional system, with



respect to circumstances that occurred during any period of incarceration. No remedy or other protection under ss. 112.3187-112.31895 applies to any person who has committed or intentionally participated in committing the violation or suspected violation for which protection under ss. 112.3187-112.31895 is being sought.

(8) REMEDIES.—

(a) Any employee of or applicant for employment with any state agency, as the term “state agency” is defined in s. 216.011, who is discharged, disciplined, or subjected to other adverse personnel action, or denied employment, because he or she engaged in an activity protected by this section may file a complaint, which complaint must be made in accordance with s. 112.31895. Upon receipt of notice from the Florida Commission on Human Relations of termination of the investigation, the complainant may elect to pursue the administrative remedy available under s. 112.31895 or bring a civil action within 180 days after receipt of the notice.

(b) Within 60 days after the action prohibited by this section, any local public employee protected by this section may file a complaint with the appropriate local governmental authority, if that authority has established by ordinance an administrative procedure for handling such complaints or has contracted with the Division of Administrative Hearings under s. 120.65 to conduct hearings under this section. The administrative procedure created by ordinance must provide for the complaint to be heard by a panel of impartial persons appointed by the appropriate local governmental authority. Upon hearing the complaint, the panel must make findings of fact and conclusions of law for a final decision by the local governmental authority. Within 180 days after entry of a final decision by the local governmental authority, the public employee who filed the complaint may bring a civil action in any court of competent jurisdiction. If the local governmental authority has not established an administrative procedure by ordinance or contract, a local public employee may, within 180 days after the action prohibited by this section, bring a civil action in a court of competent jurisdiction. For the purpose of this paragraph, the term “local governmental authority” includes any regional, county, or municipal entity, special district, community college district, or school district or any political subdivision of any of the foregoing.

(c) Any other person protected by this section may, after exhausting all available contractual or administrative remedies, bring a civil action in any court of competent jurisdiction within 180 days after the action prohibited by this section.

(9) RELIEF.—In any action brought under this section, the relief must include the following:

(a) Reinstatement of the employee to the same position held before the adverse action was commenced, or to an equivalent position or reasonable front pay as alternative relief.

(b) Reinstatement of the employee’s full fringe benefits and seniority rights, as appropriate.

(c) Compensation, if appropriate, for lost wages, benefits, or other lost remuneration caused by the adverse action.

(d) Payment of reasonable costs, including attorney’s fees, to a substantially prevailing employee, or to the prevailing employer if the employee filed a frivolous action in bad faith.

(e) Issuance of an injunction, if appropriate, by a court of competent jurisdiction.

(f) Temporary reinstatement to the employee’s former position or to an equivalent position, pending the final outcome on the complaint, if an employee complains of being discharged in retaliation for a protected disclosure and if a court of competent jurisdiction or the Florida Commission on Human Relations, as applicable under s. 112.31895, determines that the disclosure was not made in bad faith or for a wrongful purpose or occurred after an agency’s initiation of a personnel action against the employee which includes documentation of the employee’s violation of a disciplinary standard or performance deficiency. This paragraph does not apply to an employee of a municipality.

(10) DEFENSES.—It shall be an affirmative defense to any action brought pursuant to this section that the adverse action was predicated upon grounds other than, and would have been taken absent, the employee’s or person’s exercise of rights protected by this section.

(11) EXISTING RIGHTS.—Sections 112.3187-112.31895 do not diminish the rights, privileges, or remedies of an employee under any other law or rule or under any collective bargaining agreement or employment contract; however, the election of remedies in s. 447.401 also applies to whistle-blower actions.

**History.**—ss. 1, 2, 3, 4, 5, 6, 7, 8, ch. 86-233; s. 1, ch. 91-285; s. 12, ch. 92-316; s. 1, ch. 93-57; s. 702, ch. 95-147; s. 1, ch. 95-153; s. 15, ch. 96-410; s. 20, ch. 99-333; s. 2, ch. 2002-400; s. 37, ch. 2023-8.

**<sup>1</sup>112.3188 Confidentiality of information given to the Chief Inspector General, internal auditors, inspectors general, local chief executive officers, or other appropriate local officials.—**

(1) The name or identity of any individual who discloses in good faith to the Chief Inspector General or an agency inspector general, a local chief executive officer, or other appropriate local official information that alleges that an employee or agent of an agency or independent contractor:

(a) Has violated or is suspected of having violated any federal, state, or local law, rule, or regulation, thereby creating and presenting a substantial and specific danger to the public's health, safety, or welfare; or

(b) Has committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty

may not be disclosed to anyone other than a member of the Chief Inspector General's, agency inspector general's, internal auditor's, local chief executive officer's, or other appropriate local official's staff without the written consent of the individual, unless the Chief Inspector General, internal auditor, agency inspector general, local chief executive officer, or other appropriate local official determines that: the disclosure of the individual's identity is necessary to prevent a substantial and specific danger to the public's health, safety, or welfare or to prevent the imminent commission of a crime; or the disclosure is unavoidable and absolutely necessary during the course of the audit, evaluation, or investigation.

(2)(a) Except as specifically authorized by s. 112.3189, all information received by the Chief Inspector General or an agency inspector general or information produced or derived from fact-finding or other investigations conducted by the Florida Commission on Human Relations or the Department of Law Enforcement is confidential and exempt from s. 119.07(1) if the information is being received or derived from allegations as set forth in paragraph (1)(a) or paragraph (1)(b), and an investigation is active.

(b) All information received by a local chief executive officer or appropriate local official or information produced or derived from fact-finding or investigations conducted pursuant to the administrative procedure established by ordinance by a local government as authorized by s. 112.3187(8)(b) is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution, if the information is being received or derived from allegations as set forth in paragraph (1)(a) or paragraph (1)(b) and an investigation is active.

(c) Information deemed confidential under this section may be disclosed by the Chief Inspector General, agency inspector general, local chief executive officer, or other appropriate local official receiving the information if the recipient determines that the disclosure of the information is absolutely necessary to prevent a substantial and specific danger to the public's health, safety, or welfare or to prevent the imminent commission of a crime. Information disclosed under this subsection may be disclosed only to persons who are in a position to prevent the danger to the public's health, safety, or welfare or to prevent the imminent commission of a crime based on the disclosed information.

1. An investigation is active under this section if:

a. It is an ongoing investigation or inquiry or collection of information and evidence and is continuing with a reasonable, good faith anticipation of resolution in the foreseeable future; or

b. All or a portion of the matters under investigation or inquiry are active criminal intelligence information or active criminal investigative information as defined in s. 119.011.

2. Notwithstanding sub-subparagraph 1.a., an investigation ceases to be active when:

a. The written report required under s. 112.3189(9) has been sent by the Chief Inspector General to the recipients named in s. 112.3189(9);

b. It is determined that an investigation is not necessary under s. 112.3189(5); or

c. A final decision has been rendered by the local government or by the Division of Administrative Hearings pursuant to s. 112.3187(8)(b).

3. Notwithstanding paragraphs (a), (b), and this paragraph, information or records received or produced under this section which are otherwise confidential under law or exempt from disclosure under chapter 119 retain their confidentiality or exemption.

4. Any person who willfully and knowingly discloses information or records made confidential under this subsection commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.



**History.**—s. 6, ch. 90-247; s. 1, ch. 91-150; s. 3, ch. 91-285; s. 2, ch. 93-57; s. 1, ch. 95-136; s. 2, ch. 95-153; s. 1, ch. 95-166; ss. 36, 37, ch. 96-406; s. 21, ch. 99-333.

<sup>1</sup>**Note.**—As amended by s. 1, ch. 95-166, s. 2, ch. 95-153, and s. 36, ch. 96-406; this version of paragraph (2)(a) was also amended by s. 21, ch. 99-333. For a description of multiple acts in the same session affecting a statutory provision, see preface to the *Florida Statutes*, “Statutory Construction.” This section was also amended by s. 1, ch. 95-136, and s. 37, ch. 96-406, and that version reads:

**112.3188 Confidentiality of information given to the Chief Inspector General and agency inspectors general.—**

(1) The identity of any individual who discloses in good faith to the Chief Inspector General or an agency inspector general information that alleges that an employee or agent of an agency or independent contractor has violated or is suspected of having violated any federal, state, or local law, rule, or regulation, thereby creating and presenting a substantial and specific danger to the public’s health, safety, or welfare or has committed or is suspected of having committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty is exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution and shall not be disclosed to anyone other than a member of the Chief Inspector General’s or agency inspector general’s staff without the written consent of the individual, unless the Chief Inspector General or agency inspector general determines that:

(a) The disclosure of the individual’s identity is necessary to prevent a substantial and specific danger to the public’s health, safety, or welfare or to prevent the imminent commission of a crime, provided that such information is disclosed only to persons who are in a position to prevent the danger to the public’s health, safety, or welfare or to prevent the imminent commission of a crime;

(b) The disclosure of the individual’s identity is unavoidable and absolutely necessary during the course of the inquiry or investigation; or

(c) The disclosure of the individual’s identity is authorized as a result of the individual consenting in writing to attach general comments signed by such individual to the final report required pursuant to s. 112.3189(6)(b).

(2)(a) Except as specifically authorized by s. 112.3189 and except as provided in subsection (1), all information received by the Chief Inspector General or an agency inspector general or information produced or derived from fact-finding or other investigations conducted by the Department of Legal Affairs, the Office of the Public Counsel, or the Department of Law Enforcement is confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution for an initial period of not more than 30 days during which time a determination is made whether an investigation is required pursuant to s. 112.3189(5)(a) and, if an investigation is determined to be required, until the investigation is closed or ceases to be active. For the purposes of this subsection, an investigation is active while such investigation is being conducted with a reasonable good faith belief that it may lead to the filing of administrative, civil, or criminal charges. An investigation does not cease to be active so long as the Chief Inspector General or the agency inspector general is proceeding with reasonable dispatch and there is a good faith belief that action may be initiated by the Chief Inspector General or agency inspector general or other administrative or law enforcement agency. Except for active criminal intelligence or criminal investigative information as defined in s. 119.011, and except as otherwise provided in this section, all information obtained pursuant to this subsection shall become available to the public when the investigation is closed or ceases to be active. An investigation is closed or ceases to be active when the final report required pursuant to s. 112.3189(9) has been sent by the Chief Inspector General to the recipients specified in s. 112.3189(9)(c).

(b) Information deemed confidential under this subsection may be disclosed by the Chief Inspector General or agency inspector general receiving the information if the Chief Inspector General or agency inspector general determines that the disclosure of the information is absolutely necessary to prevent a substantial and specific danger to the public’s health, safety, or welfare or to prevent the imminent commission of a crime, and such information may be disclosed only to persons who are in a position to prevent the danger to the public’s health, safety, or welfare or to prevent the imminent commission of a crime based on the disclosed information.

(3) Information or records obtained under this section which are otherwise confidential under law or exempt from disclosure shall retain their confidentiality or exemption.

(4) Any person who willfully and knowingly discloses information or records made confidential under this section commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

**112.3189 Investigative procedures upon receipt of whistle-blower information from certain state employees.—**

(1) This section only applies to the disclosure of information as described in s. 112.3187(5) by an employee or former employee of, or an applicant for employment with, a state agency, as the term “state agency” is defined in s. 216.011, to the Office of the Chief Inspector General of the Executive Office of the Governor or to the agency inspector general. If an agency does not have an inspector general, the head of the state agency, as defined in s. 216.011, shall designate an employee to receive information described in s. 112.3187(5). For purposes of this section and s. 112.3188 only, the employee designated by the head of the state agency shall be deemed an agency inspector general.

(2) To facilitate the receipt of information described in subsection (1), the Chief Inspector General shall maintain an in-state toll-free whistle-blower’s hotline and shall circulate among the various state agencies an advisory for all employees which indicates the existence of the toll-free number and its purpose and provides an address to which written whistle-blower information may be forwarded.

(3) When a person alleges information described in s. 112.3187(5), the Chief Inspector General or agency inspector general actually receiving such information shall within 20 days of receiving such information determine:

(a) Whether the information disclosed is the type of information described in s. 112.3187(5).

(b) Whether the source of the information is a person who is an employee or former employee of, or an applicant for employment with, a state agency, as defined in s. 216.011.

(c) Whether the information actually disclosed demonstrates reasonable cause to suspect that an employee or agent of an agency or independent contractor has violated any federal, state, or local law, rule, or regulation, thereby creating and presenting a substantial and specific danger to the public's health, safety, or welfare, or has committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty.

(4) If the Chief Inspector General or agency inspector general under subsection (3) determines that the information disclosed is not the type of information described in s. 112.3187(5), or that the source of the information is not a person who is an employee or former employee of, or an applicant for employment with, a state agency, as defined in s. 216.011, or that the information disclosed does not demonstrate reasonable cause to suspect that an employee or agent of an agency or independent contractor has violated any federal, state, or local law, rule, or regulation, thereby creating and presenting a substantial and specific danger to the public's health, safety, or welfare, or has committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty, the Chief Inspector General or agency inspector general shall notify the complainant of such fact and copy and return, upon request of the complainant, any documents and other materials that were provided by the complainant.

(5)(a) If the Chief Inspector General or agency inspector general under subsection (3) determines that the information disclosed is the type of information described in s. 112.3187(5), that the source of the information is from a person who is an employee or former employee of, or an applicant for employment with, a state agency, as defined in s. 216.011, and that the information disclosed demonstrates reasonable cause to suspect that an employee or agent of an agency or independent contractor has violated any federal, state, or local law, rule, or regulation, thereby creating a substantial and specific danger to the public's health, safety, or welfare, or has committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty, the Chief Inspector General or agency inspector general making such determination shall then conduct an investigation, unless the Chief Inspector General or the agency inspector general determines, within 30 days after receiving the allegations from the complainant, that such investigation is unnecessary. For purposes of this subsection, the Chief Inspector General or the agency inspector general shall consider the following factors, but is not limited to only the following factors, when deciding whether the investigation is not necessary:

1. The gravity of the disclosed information compared to the time and expense of an investigation.

2. The potential for an investigation to yield recommendations that will make state government more efficient and effective.

3. The benefit to state government to have a final report on the disclosed information.

4. Whether the alleged whistle-blower information primarily concerns personnel practices that may be investigated under chapter 110.

5. Whether another agency may be conducting an investigation and whether any investigation under this section could be duplicative.

6. The time that has elapsed between the alleged event and the disclosure of the information.

(b) If the Chief Inspector General or agency inspector general determines under paragraph (a) that an investigation is not necessary, the Chief Inspector General or agency inspector general making such determination shall:

1. Copy and return, upon request of the complainant, any documents and other materials provided by the individual who made the disclosure.

2. Inform in writing the head of the state agency for the agency inspector general making the determination that the investigation is not necessary and the individual who made the disclosure of the specific reasons why an investigation is not necessary and why the disclosure will not be further acted on under this section.

(6) The agency inspector general may conduct an investigation pursuant to paragraph (5)(a) only if the person transmitting information to the agency inspector general is an employee or former employee of, or an applicant for employment with, the agency inspector general's agency. The agency inspector general shall:

(a) Conduct an investigation with respect to the information and any related matters.

(b) Submit to the complainant and the Chief Inspector General, within 60 days after the date on which a determination to conduct an investigation is made under paragraph (5)(a), a final written report that sets forth the agency inspector general's findings, conclusions, and recommendations, except as provided under subsection (11). The complainant shall be advised in writing by the agency head that the complainant may submit to the Chief Inspector General and agency inspector general comments on the final report within 20 days of the date of the report and that such comments will be attached to the final report.

(7) If the Chief Inspector General decides an investigation should be conducted pursuant to paragraph (5)(a), the Chief Inspector General shall either:

(a) Promptly transmit to the appropriate head of the state agency the information with respect to which the determination to conduct an investigation was made, and such agency head shall conduct an investigation and submit to the Chief Inspector General a final written report that sets forth the agency head's findings, conclusions, and recommendations; or

(b)1. Conduct an investigation with respect to the information and any related matters; and

2. Submit to the complainant within 60 days after the date on which a determination to conduct an investigation is made under paragraph (5)(a), a final written report that sets forth the Chief Inspector General's findings, conclusions, and recommendations, except as provided under subsection (11). The complainant shall be advised in writing by the Chief Inspector General that the complainant may submit to the Chief Inspector General comments on the final report within 20 days of the date of the report and that such comments will be attached to the final report.

(c) The Chief Inspector General may require an agency head to conduct an investigation under paragraph (a) only if the information was transmitted to the Chief Inspector General by:

1. An employee or former employee of, or an applicant for employment with, the agency that the information concerns; or

2. An employee who obtained the information in connection with the performance of the employee's duties and responsibilities.

(8) Final reports required under this section must be reviewed and signed by the person responsible for conducting the investigation (agency inspector general, agency head, or Chief Inspector General) and must include:

(a) A summary of the information with respect to which the investigation was initiated.

(b) A description of the conduct of the investigation.

(c) A summary of any evidence obtained from the investigation.

(d) A listing of any violation or apparent violation of any law, rule, or regulation.

(e) A description of any action taken or planned as a result of the investigation, such as:

1. A change in an agency rule, regulation, or practice.

2. The restoration of an aggrieved employee.

3. A disciplinary action against an employee.

4. The referral to the Department of Law Enforcement of any evidence of a criminal violation.

(9)(a) A report required of the agency head under paragraph (7)(a) shall be submitted to the Chief Inspector General and the complainant within 60 days after the agency head receives the complaint from the Chief Inspector General, except as provided under subsection (11). The complainant shall be advised in writing by the agency head that the complainant may submit to the Chief Inspector General comments on the report within 20 days of the date of the report and that such comments will be attached to the final report.

(b) Upon receiving a final report required under this section, the Chief Inspector General shall review the report and determine whether the report contains the information required by subsection (8). If the report does not contain the information required by subsection (8), the Chief Inspector General shall determine why and note the reasons on an addendum to the final report.

(c) The Chief Inspector General shall transmit any final report under this section, any comments provided by the complainant, and any appropriate comments or recommendations by the Chief

Inspector General to the Governor, the Legislative Auditing Committee, the investigating agency, and the Chief Financial Officer.

(d) If the Chief Inspector General does not receive the report of the agency head within the time prescribed in paragraph (a), the Chief Inspector General may conduct the investigation in accordance with paragraph (7)(b) or request that another agency inspector general conduct the investigation in accordance with subsection (6) and shall report the complaint to the Governor, to the Joint Legislative Auditing Committee, and to the investigating agency, together with a statement noting the failure of the agency head to file the required report.

(10) For any time period set forth in subsections (3), (6), (7), and (9), such time period may be extended in writing by the Chief Inspector General for good cause shown.

(11) If an investigation under this section produces evidence of a criminal violation, the report shall not be transmitted to the complainant, and the agency head or agency inspector general shall notify the Chief Inspector General and the Department of Law Enforcement.

**History.**—s. 13, ch. 92-316; s. 3, ch. 93-57; s. 129, ch. 2003-261; s. 17, ch. 2011-34.

**112.31895 Investigative procedures in response to prohibited personnel actions.—**

**(1) COMPLAINT.—**

(a) If a disclosure under s. 112.3187 includes or results in alleged retaliation by an employer, the employee or former employee of, or applicant for employment with, a state agency, as defined in s. 216.011, that is so affected may file a complaint alleging a prohibited personnel action, which complaint must be made by filing a written complaint with the Office of the Chief Inspector General in the Executive Office of the Governor or the Florida Commission on Human Relations, no later than 60 days after the prohibited personnel action.

(b) Within 5 working days after receiving a complaint under this section, the office or officer receiving the complaint shall acknowledge receipt of the complaint and provide copies of the complaint and any other preliminary information available concerning the disclosure of information under s. 112.3187 to each of the other parties named in paragraph (a), which parties shall each acknowledge receipt of such copies to the complainant.

**(2) FACT FINDING.—**The Florida Commission on Human Relations shall:

(a) Receive any allegation of a personnel action prohibited by s. 112.3187, including a proposed or potential action, and conduct informal fact finding regarding any allegation under this section, to the extent necessary to determine whether there are reasonable grounds to believe that a prohibited personnel action under s. 112.3187 has occurred, is occurring, or is to be taken.

(b) Within 180 days after receiving the complaint, provide the agency head and the complainant with a fact-finding report that may include recommendations to the parties or proposed resolution of the complaint. The fact-finding report shall be presumed admissible in any subsequent or related administrative or judicial review.

**(3) CORRECTIVE ACTION AND TERMINATION OF INVESTIGATION.—**

(a) The Florida Commission on Human Relations, in accordance with this act and for the sole purpose of this act, is empowered to:

1. Receive and investigate complaints from employees alleging retaliation by state agencies, as the term “state agency” is defined in s. 216.011.

2. Protect employees and applicants for employment with such agencies from prohibited personnel practices under s. 112.3187.

3. Petition for stays and petition for corrective actions, including, but not limited to, temporary reinstatement.

4. Recommend disciplinary proceedings pursuant to investigation and appropriate agency rules and procedures.

5. Coordinate with the Chief Inspector General in the Executive Office of the Governor and the Florida Commission on Human Relations to receive, review, and forward to appropriate agencies, legislative entities, or the Department of Law Enforcement disclosures of a violation of any law, rule, or regulation, or disclosures of gross mismanagement, malfeasance, misfeasance, nonfeasance, neglect of duty, or gross waste of public funds.

6. Review rules pertaining to personnel matters issued or proposed by the Department of Management Services, the Public Employees Relations Commission, and other agencies, and, if the Florida Commission on Human Relations finds that any rule or proposed rule, on its face or as

implemented, requires the commission of a prohibited personnel practice, provide a written comment to the appropriate agency.

7. Investigate, request assistance from other governmental entities, and, if appropriate, bring actions concerning, allegations of retaliation by state agencies under subparagraph 1.

8. Administer oaths, examine witnesses, take statements, issue subpoenas, order the taking of depositions, order responses to written interrogatories, and make appropriate motions to limit discovery, pursuant to investigations under subparagraph 1.

9. Intervene or otherwise participate, as a matter of right, in any appeal or other proceeding arising under this section before the Public Employees Relations Commission or any other appropriate agency, except that the Florida Commission on Human Relations must comply with the rules of the commission or other agency and may not seek corrective action or intervene in an appeal or other proceeding without the consent of the person protected under ss. 112.3187-112.31895.

10. Conduct an investigation, in the absence of an allegation, to determine whether reasonable grounds exist to believe that a prohibited action or a pattern of prohibited action has occurred, is occurring, or is to be taken.

(b) Within 15 days after receiving a complaint that a person has been discharged from employment allegedly for disclosing protected information under s. 112.3187, the Florida Commission on Human Relations shall review the information and determine whether temporary reinstatement is appropriate under s. 112.3187(9)(f). If the Florida Commission on Human Relations so determines, it shall apply for an expedited order from the appropriate agency or circuit court for the immediate reinstatement of the employee who has been discharged subsequent to the disclosure made under s. 112.3187, pending the issuance of the final order on the complaint.

(c) The Florida Commission on Human Relations shall notify a complainant of the status of the investigation and any action taken at such times as the commission considers appropriate.

(d) If the Florida Commission on Human Relations is unable to conciliate a complaint within 35 days after providing the agency head and complainant with the fact-finding report, the Florida Commission on Human Relations shall terminate the investigation. Upon termination of any investigation, the Florida Commission on Human Relations shall notify the complainant and the agency head of the termination of the investigation, providing a summary of relevant facts found during the investigation and the reasons for terminating the investigation. A written statement under this paragraph is presumed admissible as evidence in any judicial or administrative proceeding but is not admissible without the consent of the complainant.

(e)1. The Florida Commission on Human Relations may request an agency or circuit court to order a stay, on such terms as the court requires, of any personnel action for 45 days if the Florida Commission on Human Relations determines that reasonable grounds exist to believe that a prohibited personnel action has occurred, is occurring, or is to be taken. The Florida Commission on Human Relations may request that such stay be extended for appropriate periods of time.

2. If, in connection with any investigation, the Florida Commission on Human Relations determines that reasonable grounds exist to believe that a prohibited action has occurred, is occurring, or is to be taken which requires corrective action, the Florida Commission on Human Relations shall report the determination together with any findings or recommendations to the agency head and may report that determination and those findings and recommendations to the Governor and the Chief Financial Officer. The Florida Commission on Human Relations may include in the report recommendations for corrective action to be taken.

3. If, after 35 days, the agency does not implement the recommended action, the Florida Commission on Human Relations shall terminate the investigation and notify the complainant of the right to appeal under subsection (4), or may petition the agency for corrective action under this subsection.

4. If the Florida Commission on Human Relations finds, in consultation with the individual subject to the prohibited action, that the agency has implemented the corrective action, the commission shall file such finding with the agency head, together with any written comments that the individual provides, and terminate the investigation.

(f) If the Florida Commission on Human Relations finds that there are no reasonable grounds to believe that a prohibited personnel action has occurred, is occurring, or is to be taken, the commission shall terminate the investigation.



(g)1. If, in connection with any investigation under this section, it is determined that reasonable grounds exist to believe that a criminal violation has occurred which has not been previously reported, the Florida Commission on Human Relations shall report this determination to the Department of Law Enforcement and to the state attorney having jurisdiction over the matter.

2. If an alleged criminal violation has been reported, the Florida Commission on Human Relations shall confer with the Department of Law Enforcement and the state attorney before proceeding with the investigation of the prohibited personnel action and may defer the investigation pending completion of the criminal investigation and proceedings. The Florida Commission on Human Relations shall inform the complainant of the decision to defer the investigation and, if appropriate, of the confidentiality of the investigation.

(h) If, in connection with any investigation under this section, the Florida Commission on Human Relations determines that reasonable grounds exist to believe that a violation of a law, rule, or regulation has occurred, other than a criminal violation or a prohibited action under this section, the commission may report such violation to the head of the agency involved. Within 30 days after the agency receives the report, the agency head shall provide to the commission a certification that states that the head of the agency has personally reviewed the report and indicates what action has been or is to be taken and when the action will be completed.

(i) During any investigation under this section, disciplinary action may not be taken against any employee of a state agency, as the term “state agency” is defined in s. 216.011, for reporting an alleged prohibited personnel action that is under investigation, or for reporting any related activity, or against any employee for participating in an investigation without notifying the Florida Commission on Human Relations.

(j) The Florida Commission on Human Relations may also petition for an award of reasonable attorney’s fees and expenses from a state agency, as the term “state agency” is defined in s. 216.011, pursuant to s. 112.3187(9).

**(4) RIGHT TO APPEAL.—**

(a) Not more than 21 days after receipt of a notice of termination of the investigation from the Florida Commission on Human Relations, the complainant may file, with the Public Employees Relations Commission, a complaint against the employer-agency regarding the alleged prohibited personnel action. The Public Employees Relations Commission shall have jurisdiction over such complaints under ss. 112.3187 and 447.503(4) and (5).

(b) Judicial review of any final order of the commission shall be as provided in s. 120.68.

**History.**—s. 14, ch. 92-316; s. 4, ch. 93-57; s. 703, ch. 95-147; s. 22, ch. 99-333; s. 130, ch. 2003-261; s. 7, ch. 2020-153.

**112.31901 Investigatory records.—**

(1) If certified pursuant to subsection (2), an investigatory record of the Chief Inspector General within the Executive Office of the Governor or of the employee designated by an agency head as the agency inspector general under s. 112.3189 is exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution until the investigation ceases to be active, or a report detailing the investigation is provided to the Governor or the agency head, or 60 days from the inception of the investigation for which the record was made or received, whichever first occurs. Investigatory records are those records that are related to the investigation of an alleged, specific act or omission or other wrongdoing, with respect to an identifiable person or group of persons, based on information compiled by the Chief Inspector General or by an agency inspector general, as named under the provisions of s. 112.3189, in the course of an investigation. An investigation is active if it is continuing with a reasonable, good faith anticipation of resolution and with reasonable dispatch.

(2) The Governor, in the case of the Chief Inspector General, or agency head, in the case of an employee designated as the agency inspector general under s. 112.3189, may certify that such investigatory records require an exemption to protect the integrity of the investigation or avoid unwarranted damage to an individual’s good name or reputation. The certification must specify the nature and purpose of the investigation and shall be kept with the exempt records and made public when the records are made public.

(3) This section does not apply to whistle-blower investigations conducted pursuant to ss. 112.3187, 112.3188, 112.3189, and 112.31895.

**History.**—s. 4, ch. 93-405; s. 35, ch. 95-398; s. 38, ch. 2005-251; s. 13, ch. 2006-1.

**Note.**—Former s. 119.07(6)(w).

**112.3191 Short title.**—This act shall be known and cited as “The John J. Savage Memorial Act of 1974.”

**History.**—s. 1, ch. 74-176.

**112.320 Commission on Ethics; purpose.**—There is created a Commission on Ethics, the purpose of which is to serve as guardian of the standards of conduct for the officers and employees of the state, and of a county, city, or other political subdivision of the state, as defined in this part, and to serve as the independent commission provided for in s. 8(f), Art. II of the State Constitution.

**History.**—s. 2, ch. 74-176; s. 11, ch. 91-85.

**112.321 Membership, terms; travel expenses; staff.**—

(1) The commission shall be composed of nine members. Five of these members shall be appointed by the Governor, no more than three of whom shall be from the same political party, subject to confirmation by the Senate. One member appointed by the Governor shall be a former city or county official and may be a former member of a local planning or zoning board which has only advisory duties. Two members shall be appointed by the Speaker of the House of Representatives, and two members shall be appointed by the President of the Senate. Neither the Speaker of the House of Representatives nor the President of the Senate shall appoint more than one member from the same political party. Of the nine members of the Commission, no more than five members shall be from the same political party at any one time. No member may hold any public employment. An individual who qualifies as a lobbyist pursuant to s. 11.045 or s. 112.3215 or pursuant to any local government charter or ordinance may not serve as a member of the commission, except that this prohibition does not apply to an individual who is a member of the commission on July 1, 2006, until the expiration of his or her current term. A member of the commission may not lobby any state or local governmental entity as provided in s. 11.045 or s. 112.3215 or as provided by any local government charter or ordinance, except that this prohibition does not apply to an individual who is a member of the commission on July 1, 2006, until the expiration of his or her current term. All members shall serve 2-year terms. A member may not serve more than two full terms in succession. Any member of the commission may be removed for cause by majority vote of the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chief Justice of the Supreme Court.

(2) The members of the commission shall elect a chair from their number, who shall serve for a 1-year term and may not succeed himself or herself as chair.

(3) Members of the commission shall receive no salary but shall receive travel and per diem as provided in s. 112.061.

(4) In accordance with the uniform personnel, job classification, and pay plan adopted with the approval of the President of the Senate and the Speaker of the House of Representatives and administered by the Office of Legislative Services, the commission shall employ an executive director and shall provide the executive director with necessary office space, assistants, and secretaries. Within the above uniform plan, decisions relating to hiring, promotion, demotion, and termination of commission employees shall be made by the commission or, if so delegated by the commission, by its executive director.

**History.**—s. 2, ch. 74-176; s. 3, ch. 75-199; s. 6, ch. 82-98; s. 1, ch. 86-148; s. 3, ch. 88-29; s. 2, ch. 91-49; s. 704, ch. 95-147; s. 24, ch. 98-136; s. 6, ch. 2000-243; s. 10, ch. 2006-275.

**112.3213 Legislative intent and purpose.**—The Legislature finds that the operation of open and responsible government requires the fullest opportunity to be afforded to the people to petition their government for the redress of grievances and to express freely their opinions on executive branch action. Further, the Legislature finds that preservation of the integrity of the governmental decisionmaking process is essential to the continued functioning of an open government. Therefore, in order to preserve and maintain the integrity of the process and to better inform citizens of the efforts to influence executive branch action, the Legislature finds it necessary to require the public disclosure of the identity, expenditures, and activities of certain persons who attempt to influence actions of the executive branch in the areas of policy and procurement.

**History.**—s. 5, ch. 93-121.

**112.3215 Lobbying before the executive branch or the Constitution Revision Commission; registration and reporting; investigation by commission.**—

(1) For the purposes of this section:



(a) “Agency” means the Governor, Governor and Cabinet, or any department, division, bureau, board, commission, or authority of the executive branch. In addition, “agency” shall mean the Constitution Revision Commission as provided by s. 2, Art. XI of the State Constitution.

(b) “Agency official” or “employee” means any individual who is required by law to file full or limited public disclosure of his or her financial interests.

(c) “Compensation” means a payment, distribution, loan, advance, reimbursement, deposit, salary, fee, retainer, or anything of value provided or owed to a lobbying firm, directly or indirectly, by a principal for any lobbying activity.

(d) “Expenditure” means a payment, distribution, loan, advance, reimbursement, deposit, or anything of value made by a lobbyist or principal for the purpose of lobbying. The term “expenditure” does not include contributions or expenditures reported pursuant to chapter 106 or contributions or expenditures reported pursuant to federal election law, campaign-related personal services provided without compensation by individuals volunteering their time, any other contribution or expenditure made by or to a political party or an affiliated party committee, or any other contribution or expenditure made by an organization that is exempt from taxation under 26 U.S.C. s. 527 or s. 501(c)(4).

(e) “Fund” means the Executive Branch Lobby Registration Trust Fund.

(f) “Lobbies” means seeking, on behalf of another person, to influence an agency with respect to a decision of the agency in the area of policy or procurement or an attempt to obtain the goodwill of an agency official or employee. “Lobbies” also means influencing or attempting to influence, on behalf of another, the Constitution Revision Commission’s action or nonaction through oral or written communication or an attempt to obtain the goodwill of a member or employee of the Constitution Revision Commission.

(g) “Lobbying firm” means a business entity, including an individual contract lobbyist, that receives or becomes entitled to receive any compensation for the purpose of lobbying, where any partner, owner, officer, or employee of the business entity is a lobbyist.

(h) “Lobbyist” means a person who is employed and receives payment, or who contracts for economic consideration, for the purpose of lobbying, or a person who is principally employed for governmental affairs by another person or governmental entity to lobby on behalf of that other person or governmental entity. “Lobbyist” does not include a person who is:

1. An attorney, or any person, who represents a client in a judicial proceeding or in a formal administrative proceeding conducted pursuant to chapter 120 or any other formal hearing before an agency, board, commission, or authority of this state.

2. An employee of an agency or of a legislative or judicial branch entity acting in the normal course of his or her duties.

3. A confidential informant who is providing, or wishes to provide, confidential information to be used for law enforcement purposes.

4. A person who lobbies to procure a contract pursuant to chapter 287 which contract is less than the threshold for CATEGORY ONE as provided in s. 287.017.

(i) “Principal” means the person, firm, corporation, or other entity which has employed or retained a lobbyist.

(2) The Executive Branch Lobby Registration Trust Fund is hereby created within the commission to be used for the purpose of funding any office established to administer the registration of lobbyists lobbying an agency, including the payment of salaries and other expenses. The trust fund is not subject to the service charge to General Revenue provisions of chapter 215. All annual registration fees collected pursuant to this section shall be deposited into such fund.

(3) A person may not lobby an agency until such person has registered as a lobbyist with the commission. Such registration shall be due upon initially being retained to lobby and is renewable on a calendar year basis thereafter. Upon registration the person shall provide a statement signed by the principal or principal’s representative that the registrant is authorized to represent the principal. The principal shall also identify and designate its main business on the statement authorizing that lobbyist pursuant to a classification system approved by the commission. The registration shall require each lobbyist to disclose, under oath, the following information:

(a) Name and business address;

(b) The name and business address of each principal represented;

- (c) His or her area of interest;
  - (d) The agencies before which he or she will appear; and
  - (e) The existence of any direct or indirect business association, partnership, or financial relationship with any employee of an agency with which he or she lobbies, or intends to lobby, as disclosed in the registration.
- (4) The annual lobbyist registration fee shall be set by the commission by rule, not to exceed \$40 for each principal represented.
- (5)(a)1. Each lobbying firm shall file a compensation report with the commission for each calendar quarter during any portion of which one or more of the firm's lobbyists were registered to represent a principal. The report shall include the:
- a. Full name, business address, and telephone number of the lobbying firm;
  - b. Name of each of the firm's lobbyists; and
  - c. Total compensation provided or owed to the lobbying firm from all principals for the reporting period, reported in one of the following categories: \$0; \$1 to \$49,999; \$50,000 to \$99,999; \$100,000 to \$249,999; \$250,000 to \$499,999; \$500,000 to \$999,999; \$1 million or more.
2. For each principal represented by one or more of the firm's lobbyists, the lobbying firm's compensation report shall also include the:
- a. Full name, business address, and telephone number of the principal; and
  - b. Total compensation provided or owed to the lobbying firm for the reporting period, reported in one of the following categories: \$0; \$1 to \$9,999; \$10,000 to \$19,999; \$20,000 to \$29,999; \$30,000 to \$39,999; \$40,000 to \$49,999; or \$50,000 or more. If the category "\$50,000 or more" is selected, the specific dollar amount of compensation must be reported, rounded up or down to the nearest \$1,000.
3. If the lobbying firm subcontracts work from another lobbying firm and not from the original principal:
- a. The lobbying firm providing the work to be subcontracted shall be treated as the reporting lobbying firm's principal for reporting purposes under this paragraph; and
  - b. The reporting lobbying firm shall, for each lobbying firm identified under subparagraph 2., identify the name and address of the principal originating the lobbying work.
4. The senior partner, officer, or owner of the lobbying firm shall certify to the veracity and completeness of the information submitted pursuant to this paragraph.
- (b) For each principal represented by more than one lobbying firm, the commission shall aggregate the reporting-period and calendar-year compensation reported as provided or owed by the principal.
- (c) The reporting statements shall be filed no later than 45 days after the end of each reporting period. The four reporting periods are from January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31, respectively. Reporting statements must be filed by electronic means as provided in s. 112.32155.
- (d) The commission shall provide by rule the grounds for waiving a fine, the procedures by which a lobbying firm that fails to timely file a report shall be notified and assessed fines, and the procedure for appealing the fines. The rule shall provide for the following:
- 1. Upon determining that the report is late, the person designated to review the timeliness of reports shall immediately notify the lobbying firm as to the failure to timely file the report and that a fine is being assessed for each late day. The fine shall be \$50 per day per report for each late day up to a maximum of \$5,000 per late report.
  - 2. Upon receipt of the report, the person designated to review the timeliness of reports shall determine the amount of the fine due based upon the earliest of the following:
    - a. When a report is actually received by the lobbyist registration and reporting office.
    - b. When the electronic receipt issued pursuant to s. 112.32155 is dated.
  - 3. Such fine shall be paid within 30 days after the notice of payment due is transmitted by the Lobbyist Registration Office, unless appeal is made to the commission. The moneys shall be deposited into the Executive Branch Lobby Registration Trust Fund.
  - 4. A fine shall not be assessed against a lobbying firm the first time any reports for which the lobbying firm is responsible are not timely filed. However, to receive the one-time fine waiver, all reports for which the lobbying firm is responsible must be filed within 30 days after the notice that any reports have not been timely filed is transmitted by the Lobbyist Registration Office. A fine shall be assessed for any subsequent late-filed reports.

5. Any lobbying firm may appeal or dispute a fine, based upon unusual circumstances surrounding the failure to file on the designated due date, and may request and shall be entitled to a hearing before the commission, which shall have the authority to waive the fine in whole or in part for good cause shown. Any such request shall be made within 30 days after the notice of payment due is transmitted by the Lobbyist Registration Office. In such case, the lobbying firm shall, within the 30-day period, notify the person designated to review the timeliness of reports in writing of his or her intention to bring the matter before the commission.

6. The person designated to review the timeliness of reports shall notify the commission of the failure of a lobbying firm to file a report after notice or of the failure of a lobbying firm to pay the fine imposed. All lobbyist registrations for lobbyists who are partners, owners, officers, or employees of a lobbying firm that fails to timely pay a fine are automatically suspended until the fine is paid or waived, and the commission shall promptly notify all affected principals of each suspension and each reinstatement.

7. Notwithstanding any provision of chapter 120, any fine imposed under this subsection that is not waived by final order of the commission and that remains unpaid more than 60 days after the notice of payment due or more than 60 days after the commission renders a final order on the lobbying firm's appeal shall be collected by the Department of Financial Services as a claim, debt, or other obligation owed to the state, and the department may assign the collection of such fine to a collection agent as provided in s. 17.20.

(e) Each lobbying firm and each principal shall preserve for a period of 4 years all accounts, bills, receipts, computer records, books, papers, and other documents and records necessary to substantiate compensation. Any documents and records retained pursuant to this section may be subpoenaed for audit by the Legislative Auditing Committee pursuant to s. 11.40, and such subpoena may be enforced in circuit court.

(6)(a) Notwithstanding s. 112.3148, s. 112.3149, or any other provision of law to the contrary, no lobbyist or principal shall make, directly or indirectly, and no agency official, member, or employee shall knowingly accept, directly or indirectly, any expenditure.

(b) No person shall provide compensation for lobbying to any individual or business entity that is not a lobbying firm.

(7) A lobbyist shall promptly send a written statement to the commission canceling the registration for a principal upon termination of the lobbyist's representation of that principal. Notwithstanding this requirement, the commission may remove the name of a lobbyist from the list of registered lobbyists if the principal notifies the office that a person is no longer authorized to represent that principal.

(8)(a) The commission shall investigate every sworn complaint that is filed with it alleging that a person covered by this section has failed to register, has failed to submit a compensation report, has made a prohibited expenditure, or has knowingly submitted false information in any report or registration required in this section.

(b) All proceedings, the complaint, and other records relating to the investigation are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution, and any meetings held pursuant to an investigation are exempt from the provisions of s. 286.011(1) and s. 24(b), Art. I of the State Constitution either until the alleged violator requests in writing that such investigation and associated records and meetings be made public or until the commission determines, based on the investigation, whether probable cause exists to believe that a violation has occurred.

(c) The commission shall investigate any lobbying firm, lobbyist, principal, agency, officer, or employee upon receipt of information from a sworn complaint or from a random audit of lobbying reports indicating that the entity or individual has intentionally failed to disclose any material fact or has knowingly submitted false information in any report required by this section or by rules adopted pursuant to this section.

(d) Notwithstanding paragraphs (a)-(c), the commission may dismiss any complaint or investigation resulting from a random audit of lobbying reports at any stage of disposition if it determines that the public interest is not served by proceeding further, in which case the commission must issue a public report stating with particularity its reasons for the dismissal.

(e)1. Records relating to an audit conducted pursuant to this section or an investigation conducted pursuant to this section or s. 112.32155 are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

2. Any portion of a meeting wherein such investigation or audit is discussed is exempt from s. 286.011 and s. 24(b), Art. I of the State Constitution.

3. The exemptions no longer apply if the lobbying firm requests in writing that such investigation and associated records and meetings be made public or the commission determines there is probable cause that the audit reflects a violation of the reporting laws.

(9) If the commission finds no probable cause to believe that a violation of this section occurred, it must dismiss the complaint, whereupon the complaint, together with a written statement of the findings of the investigation and a summary of the facts, becomes a matter of public record, and the commission must send a copy of the complaint, findings, and summary to the complainant and the alleged violator. If, after investigating information from a random audit of lobbying reports, the commission finds no probable cause to believe that a violation of this section occurred, a written statement of the findings of the investigation and a summary of the facts becomes a matter of public record, and the commission must send a copy of the findings and summary to the alleged violator. If the commission finds probable cause to believe that a violation occurred, it must report the results of its investigation to the Governor and Cabinet and send a copy of the report to the alleged violator by certified mail. Such notification and all documents made or received in the disposition of the complaint become public records. Upon a request submitted to the Governor and Cabinet in writing, any person whom the commission finds probable cause to believe has violated this section shall be entitled to a public hearing. Such person shall be deemed to have waived the right to a public hearing if the request is not received within 14 days following the mailing of the probable cause notification. However, the Governor and Cabinet may on its own motion require a public hearing and may conduct such further investigation as it deems necessary.

(10) If the Governor and Cabinet find that a violation occurred, the Governor and Cabinet may reprimand the violator, censure the violator, or prohibit the violator from lobbying all agencies for a period not to exceed 2 years. If the violator is a lobbying firm, lobbyist, or principal, the Governor and Cabinet may also assess a fine of not more than \$5,000 to be deposited in the Executive Branch Lobby Registration Trust Fund.

(11) Any person who is required to be registered or to provide information under this section or under rules adopted pursuant to this section and who knowingly fails to disclose any material fact that is required by this section or by rules adopted pursuant to this section, or who knowingly provides false information on any report required by this section or by rules adopted pursuant to this section, commits a noncriminal infraction, punishable by a fine not to exceed \$5,000. Such penalty is in addition to any other penalty assessed by the Governor and Cabinet pursuant to subsection (10).

(12) Any person, when in doubt about the applicability and interpretation of this section to himself or herself in a particular context, may submit in writing the facts of the situation to the commission with a request for an advisory opinion to establish the standard of duty. An advisory opinion shall be rendered by the commission and, until amended or revoked, shall be binding on the conduct of the person who sought the opinion, unless material facts were omitted or misstated in the request.

(13) Agencies shall be diligent to ascertain whether persons required to register pursuant to this section have complied. An agency may not knowingly permit a person who is not registered pursuant to this section to lobby the agency.

(14) Upon discovery of violations of this section an agency or any person may file a sworn complaint with the commission.

(15) The commission shall adopt rules to administer this section, which shall prescribe forms for registration and compensation reports, procedures for registration, and procedures that will prevent disclosure of information that is confidential as provided in this section.

**History.**—s. 2, ch. 89-325; s. 3, ch. 90-268; s. 29, ch. 90-360; s. 5, ch. 91-292; s. 2, ch. 92-35; s. 6, ch. 93-121; s. 705, ch. 95-147; s. 1, ch. 95-357; s. 2, ch. 96-203; s. 38, ch. 96-406; s. 1, ch. 97-12; s. 2, ch. 2000-232; s. 131, ch. 2003-261; ss. 5, 6, ch. 2005-359; s. 1, ch. 2005-361; ss. 12, 13, 14, ch. 2006-275; s. 6, ch. 2010-151; ss. 29, 30, ch. 2011-6; s. 76, ch. 2011-40; s. 1, ch. 2011-178; HJR 7105, 2011 Regular Session; s. 3, ch. 2012-25; s. 16, ch. 2013-36; s. 17, ch. 2014-17; s. 8, ch. 2023-49.

**112.32151 Requirements for reinstitution of lobbyist registration after felony conviction.**—A person convicted of a felony after January 1, 2006, may not be registered as a lobbyist pursuant to s. 112.3215 until the person:

(1) Has been released from incarceration and any postconviction supervision, and has paid all court costs and court-ordered restitution; and

(2) Has had his or her civil rights restored.

History.—s. 9, ch. 2005-359; s. 8, ch. 2007-5.

**112.32155 Electronic filing of compensation reports and other information.—**

(1) As used in this section, the term “electronic filing system” means an Internet system for recording and reporting lobbying compensation and other required information by reporting period.

(2) Each lobbying firm who is required to file reports with the Commission on Ethics pursuant to s. 112.3215 must file such reports with the commission by means of the electronic filing system.

(3) A report filed pursuant to this section must be completed and filed through the electronic filing system not later than 11:59 p.m. of the day designated in s. 112.3215. A report not filed by 11:59 p.m. of the day designated is a late-filed report and is subject to the penalties under s. 112.3215(5).

(4) Each report filed pursuant to this section is considered to meet the certification requirements of s. 112.3215(5)(a)4. Persons given a secure sign-on to the electronic filing system are responsible for protecting it from disclosure and are responsible for all filings using such credentials, unless they have notified the commission that their credentials have been compromised.

(5) The electronic filing system must:

(a) Be based on access by means of the Internet.

(b) Be accessible by anyone with Internet access using standard web-browsing software.

(c) Provide for direct entry of compensation report information as well as upload of such information from software authorized by the commission.

(d) Provide a method that prevents unauthorized access to electronic filing system functions.

(6) The commission shall provide by rule procedures to implement and administer this section, including, but not limited to:

(a) Alternate filing procedures in case the electronic filing system is not operable.

(b) The issuance of an electronic receipt to the person submitting the report indicating and verifying the date and time that the report was filed.

(7) The commission shall make all the data filed available on the Internet in an easily understood and accessible format. The Internet website shall also include, but not be limited to, the names and business addresses of lobbyists, lobbying firms, and principals, the affiliations between lobbyists and principals, and the classification system designated and identified by each principal pursuant to s. 112.3215(3).

History.—s. 7, ch. 2005-359.

**112.3217 Contingency fees; prohibitions; penalties.—**

(1) “Contingency fee” means a fee, bonus, commission, or nonmonetary benefit as compensation which is dependent or in any way contingent on the enactment, defeat, modification, or other outcome of any specific executive branch action.

(2) No person may, in whole or in part, pay, give, or receive, or agree to pay, give, or receive, a contingency fee. However, this subsection does not apply to claims bills.

(3) Any person who violates this section commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083. If such person is a lobbyist, the lobbyist shall forfeit any fee, bonus, commission, or profit received in violation of this section and is subject to the penalties set forth in s. 112.3215. When the fee, bonus, commission, or profit is nonmonetary, the fair market value of the benefit shall be used in determining the amount to be forfeited. All forfeited benefits shall be deposited into the Executive Branch Lobby Registration Trust Fund.

(4) Nothing in this section may be construed to prohibit any salesperson engaging in legitimate state business on behalf of a company from receiving compensation or commission as part of a bona fide contractual arrangement with that company.

History.—s. 7, ch. 93-121; s. 9, ch. 2000-336.

**112.322 Duties and powers of commission.—**

(1) It is the duty of the Commission on Ethics to receive and investigate sworn complaints of violation of the code of ethics as established in this part and of any other breach of the public trust, as provided in s. 8(f), Art. II of the State Constitution, including investigation of all facts and parties materially related to the complaint at issue.

(2)(a) Any public officer or employee may request a hearing before the Commission on Ethics to present oral or written testimony in response to allegations that such person violated the code of ethics established in this part or allegations of any other breach of the public trust, as provided in s. 8, Art. II of the State Constitution, provided a majority of the commission members present and voting



consider that the allegations are of such gravity as to affect the general welfare of the state and the ability of the subject public officer or employee effectively to discharge the duties of the office. If the allegations made against the subject public officer or employee are made under oath, then he or she shall also be required to testify under oath.

(b) Upon completion of any investigation initiated under this subsection, the commission shall make a finding and public report as to whether any provision of the code of ethics has been violated or any other breach of the public trust has been committed by the subject official or employee. In the event that a violation or breach is found to have been committed, the commission shall recommend appropriate action to the agency or official having power to impose any penalty provided by s. 112.317.

(c) All proceedings conducted pursuant to this subsection shall be public meetings within the meaning of chapter 286, and all documents made or received in connection with the commission's investigation thereof shall be public records within the meaning of chapter 119.

(d) Any response to a request of a public official or employee shall be addressed in the first instance to the official or employee making the request.

(3)(a) Every public officer, candidate for public office, or public employee, when in doubt about the applicability and interpretation of this part or s. 8, Art. II of the State Constitution to himself or herself in a particular context, may submit in writing the facts of the situation to the Commission on Ethics with a request for an advisory opinion to establish the standard of public duty. Any public officer or employee who has the power to hire or terminate employees may likewise seek an advisory opinion from the commission as to the application of the provisions of this part or s. 8, Art. II of the State Constitution to any such employee or applicant for employment. An advisory opinion shall be rendered by the commission, and each such opinion shall be numbered, dated, and published without naming the person making the request, unless such person consents to the use of his or her name.

(b) Such opinion, until amended or revoked, shall be binding on the conduct of the officer, employee, or candidate who sought the opinion or with reference to whom the opinion was sought, unless material facts were omitted or misstated in the request for the advisory opinion.

(4) The commission has the power to subpoena, audit, and investigate. The commission may subpoena witnesses and compel their attendance and testimony, administer oaths and affirmations, take evidence, and require by subpoena the production of any books, papers, records, or other items relevant to the performance of the duties of the commission or to the exercise of its powers. The commission may delegate to its investigators the authority to administer oaths and affirmations. The commission may delegate the authority to issue subpoenas to its chair, and may authorize its employees to serve any subpoena issued under this section. In the case of a refusal to obey a subpoena issued to any person, the commission may make application to any circuit court of this state which shall have jurisdiction to order the witness to appear before the commission and to produce evidence, if so ordered, or to give testimony touching on the matter in question. Failure to obey the order may be punished by the court as contempt. Witnesses shall be paid mileage and witnesses fees as authorized for witnesses in civil cases, except that a witness who is required to travel outside the county of his or her residence to testify is entitled to per diem and travel expenses at the same rate provided for state employees under s. 112.061, to be paid after the witness appears.

(5) The commission may recommend that the Governor initiate judicial proceedings in the name of the state against any executive or administrative state, county, or municipal officer to enforce compliance with any provision of this part or of s. 8, Art. II of the State Constitution or to restrain violations of this part or of s. 8, Art. II of the State Constitution, pursuant to s. 1(b), Art. IV of the State Constitution; and the Governor may without further action initiate such judicial proceedings.

(6) The commission is authorized to call upon appropriate agencies of state government for such professional assistance as may be needed in the discharge of its duties. The Department of Legal Affairs shall, upon request, provide legal and investigative assistance to the commission.

(7) The commission may prepare materials designed to assist persons in complying with the provisions of this part and with s. 8, Art. II of the State Constitution.

(8) It shall be the further duty of the commission to submit to the Legislature from time to time a report of its work and recommendations for legislation deemed necessary to improve the code of ethics and its enforcement.

(9) The commission is authorized to make such rules not inconsistent with law as are necessary to carry out the duties and authority conferred upon the commission by s. 8, Art. II of the State Constitution or by this part. Such rules shall be limited to:

(a) Rules providing for the practices and procedures of the commission.

(b) Rules interpreting the disclosures and prohibitions established by s. 8, Art. II of the State Constitution and by this part.

**History.**—s. 2, ch. 74-176; s. 4, ch. 75-199; s. 1, ch. 76-89; s. 1, ch. 77-174; s. 7, ch. 82-98; s. 33, ch. 89-169; s. 12, ch. 91-85; s. 13, ch. 94-277; s. 1416, ch. 95-147; s. 7, ch. 2000-243; s. 15, ch. 2006-275.

**112.3231 Time limitations.—**

(1) On or after October 1, 1993, all sworn complaints alleging a violation of this part, or of any other breach of the public trust within the jurisdiction of the Commission on Ethics under s. 8, Art. II of the State Constitution, shall be filed with the commission within 5 years of the alleged violation or other breach of the public trust.

(2) A violation of this part or any other breach of public trust is committed when every element has occurred or, if the violation or breach of public trust involves a continuing course of conduct, at the time when the course of conduct or the officer's, employee's, or candidate's complicity therein is terminated. Time starts to run on the day after the violation or breach of public trust is committed.

(3) The applicable period of limitation is tolled on the day a sworn complaint against the public officer, employee, or candidate is filed with the Commission on Ethics. If it can be concluded from the face of the complaint that the applicable period of limitation has run, the complaint shall be dismissed and the commission shall issue a public report.

**History.**—s. 13, ch. 91-85; s. 10, ch. 94-277.

**112.3232 Compelled testimony.**—If any person called to give evidence in a commission proceeding shall refuse to give evidence because of a claim of possible self-incrimination, the commission, with the written authorization of the appropriate state attorney, may apply to the chief judge of the appropriate judicial circuit for a judicial grant of immunity ordering the testimony or other evidence of such person notwithstanding his or her objection, but in such case no testimony or other information compelled under the order, or any information directly or indirectly derived from such testimony or other information, may be used against the witness in any criminal proceeding.

**History.**—s. 10, ch. 2000-243.

**112.324 Procedures on complaints of violations and referrals; public records and meeting exemptions.—**

(1) The commission shall investigate an alleged violation of this part or other alleged breach of the public trust within the jurisdiction of the commission as provided in s. 8(f), Art. II of the State Constitution:

(a) Upon a written complaint executed on a form prescribed by the commission and signed under oath or affirmation by any person; or

(b) Upon receipt of a written referral of a possible violation of this part or other possible breach of the public trust from the Governor, the Department of Law Enforcement, a state attorney, or a United States Attorney which at least six members of the commission determine is sufficient to indicate a violation of this part or any other breach of the public trust.

Within 5 days after receipt of a complaint by the commission or a determination by at least six members of the commission that the referral received is deemed sufficient, a copy shall be transmitted to the alleged violator.

(2)(a) The complaint and records relating to the complaint or to any preliminary investigation held by the commission or its agents, by a Commission on Ethics and Public Trust established by any county defined in s. 125.011(1) or by any municipality defined in s. 165.031, or by any county or municipality that has established a local investigatory process to enforce more stringent standards of conduct and disclosure requirements as provided in s. 112.326 are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(b) Written referrals and records relating to such referrals held by the commission or its agents, the Governor, the Department of Law Enforcement, or a state attorney, and records relating to any preliminary investigation of such referrals held by the commission or its agents, are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(c) Any portion of a proceeding conducted by the commission, a Commission on Ethics and Public Trust, or a county or municipality that has established such local investigatory process, pursuant to a



complaint or preliminary investigation, is exempt from s. 286.011, s. 24(b), Art. I of the State Constitution, and s. 120.525.

(d) Any portion of a proceeding of the commission in which a determination regarding a referral is discussed or acted upon is exempt from s. 286.011 and s. 24(b), Art. I of the State Constitution, and s. 120.525.

(e) The exemptions in paragraphs (a)-(d) apply until:

1. The complaint is dismissed as legally insufficient;
2. The alleged violator requests in writing that such records and proceedings be made public;
3. The commission determines that it will not investigate the referral; or
4. The commission, a Commission on Ethics and Public Trust, or a county or municipality that has established such local investigatory process determines, based on such investigation, whether probable cause exists to believe that a violation has occurred.

(f) A complaint or referral under this part against a candidate in any general, special, or primary election may not be filed nor may any intention of filing such a complaint or referral be disclosed on the day of any such election or within the 30 days immediately preceding the date of the election, unless the complaint or referral is based upon personal information or information other than hearsay.

(3) A preliminary investigation shall be undertaken by the commission of each legally sufficient complaint or referral over which the commission has jurisdiction to determine whether there is probable cause to believe that a violation has occurred. If, upon completion of the preliminary investigation, the commission finds no probable cause to believe that this part has been violated or that any other breach of the public trust has been committed, the commission shall dismiss the complaint or referral with the issuance of a public report to the complainant and the alleged violator, stating with particularity its reasons for dismissal. At that time, the complaint or referral and all materials relating to the complaint or referral shall become a matter of public record. If the commission finds from the preliminary investigation probable cause to believe that this part has been violated or that any other breach of the public trust has been committed, it shall so notify the complainant and the alleged violator in writing. Such notification and all documents made or received in the disposition of the complaint or referral shall then become public records. Upon request submitted to the commission in writing, any person who the commission finds probable cause to believe has violated any provision of this part or has committed any other breach of the public trust shall be entitled to a public hearing. Such person shall be deemed to have waived the right to a public hearing if the request is not received within 14 days following the mailing of the probable cause notification required by this subsection. However, the commission may on its own motion, require a public hearing, may conduct such further investigation as it deems necessary, and may enter into such stipulations and settlements as it finds to be just and in the best interest of the state. The commission is without jurisdiction to, and no respondent may voluntarily or involuntarily, enter into a stipulation or settlement which imposes any penalty, including, but not limited to, a sanction or admonition or any other penalty contained in s. 112.317. Penalties shall be imposed only by the appropriate disciplinary authority as designated in this section.

(4) If, in cases pertaining to members of the Legislature, upon completion of a full and final investigation by the commission, the commission finds that there has been a violation of this part or of any provision of s. 8, Art. II of the State Constitution, the commission shall forward a copy of the complaint or referral and its findings by certified mail to the President of the Senate or the Speaker of the House of Representatives, whichever is applicable, who shall refer the complaint or referral to the appropriate committee for investigation and action which shall be governed by the rules of its respective house. It is the duty of the committee to report its final action upon the matter to the commission within 90 days of the date of transmittal to the respective house. Upon request of the committee, the commission shall submit a recommendation as to what penalty, if any, should be imposed. In the case of a member of the Legislature, the house in which the member serves has the power to invoke the penalty provisions of this part.

(5) If, in cases against impeachable officers, upon completion of a full and final investigation by the commission, the commission finds that there has been a violation of this part or of any provision of s. 8, Art. II of the State Constitution, and the commission finds that the violation may constitute grounds for impeachment, the commission shall forward a copy of the complaint or referral and its findings by certified mail to the Speaker of the House of Representatives, who shall refer the complaint

or referral to the appropriate committee for investigation and action which shall be governed by the rules of the House of Representatives. It is the duty of the committee to report its final action upon the matter to the commission within 90 days of the date of transmittal.

(6) If the commission finds that there has been a violation of this part or of any provision of s. 8, Art. II of the State Constitution by an impeachable officer other than the Governor, and the commission recommends public censure and reprimand, forfeiture of a portion of the officer's salary, a civil penalty, or restitution, the commission shall report its findings and recommendation of disciplinary action to the Governor, who has the power to invoke the penalty provisions of this part.

(7) If the commission finds that there has been a violation of this part or of any provision of s. 8, Art. II of the State Constitution by the Governor, and the commission recommends public censure and reprimand, forfeiture of a portion of the Governor's salary, a civil penalty, or restitution, the commission shall report its findings and recommendation of disciplinary action to the Attorney General, who shall have the power to invoke the penalty provisions of this part.

(8) If, in cases other than complaints or referrals against impeachable officers or members of the Legislature, upon completion of a full and final investigation by the commission, the commission finds that there has been a violation of this part or of s. 8, Art. II of the State Constitution, it is the duty of the commission to report its findings and recommend appropriate action to the proper disciplinary official or body as follows, and such official or body has the power to invoke the penalty provisions of this part, including the power to order the appropriate elections official to remove a candidate from the ballot for a violation of s. 112.3145 or s. 8(a) and (i), Art. II of the State Constitution:

(a) The President of the Senate and the Speaker of the House of Representatives, jointly, in any case concerning the Public Counsel, members of the Public Service Commission, members of the Public Service Commission Nominating Council, the Auditor General, or the director of the Office of Program Policy Analysis and Government Accountability.

(b) The Supreme Court, in any case concerning an employee of the judicial branch.

(c) The President of the Senate, in any case concerning an employee of the Senate; the Speaker of the House of Representatives, in any case concerning an employee of the House of Representatives; or the President and the Speaker, jointly, in any case concerning an employee of a committee of the Legislature whose members are appointed solely by the President and the Speaker or in any case concerning an employee of the Public Counsel, Public Service Commission, Auditor General, or Office of Program Policy Analysis and Government Accountability.

(d) Except as otherwise provided by this part, the Governor, in the case of any other public officer, public employee, former public officer or public employee, candidate or former candidate, or person who is not a public officer or employee, other than lobbyists and lobbying firms under s. 112.3215 for violations of s. 112.3215.

(e) The President of the Senate or the Speaker of the House of Representatives, whichever is applicable, in any case concerning a former member of the Legislature who has violated a provision applicable to former members or whose violation occurred while a member of the Legislature.

(9) In addition to reporting its findings to the proper disciplinary body or official, the commission shall report these findings to the state attorney or any other appropriate official or agency having authority to initiate prosecution when violation of criminal law is indicated.

(10) Notwithstanding the foregoing procedures of this section, a sworn complaint against any member or employee of the Commission on Ethics for violation of this part or of s. 8, Art. II of the State Constitution shall be filed with the President of the Senate and the Speaker of the House of Representatives. Each presiding officer shall, after determining that there are sufficient grounds for review, appoint three members of their respective bodies to a special joint committee who shall investigate the complaint. The members shall elect a chair from among their number. If the special joint committee finds insufficient evidence to establish probable cause to believe a violation of this part or of s. 8, Art. II of the State Constitution has occurred, it shall dismiss the complaint. If, upon completion of its preliminary investigation, the committee finds sufficient evidence to establish probable cause to believe a violation has occurred, the chair thereof shall transmit such findings to the Governor who shall convene a meeting of the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chief Justice of the Supreme Court to take such final action on the complaint as they shall deem appropriate, consistent with the penalty provisions of this part. Upon request of a majority of the Governor, the President of the Senate, the Speaker of the House of

Representatives, and the Chief Justice of the Supreme Court, the special joint committee shall submit a recommendation as to what penalty, if any, should be imposed.

(11)(a) Notwithstanding subsections (1)-(8), the commission may dismiss any complaint or referral at any stage of disposition if it determines that the violation that is alleged or has occurred is a de minimis violation attributable to inadvertent or unintentional error. In determining whether a violation was de minimis, the commission shall consider whether the interests of the public were protected despite the violation.

(b) For the purposes of this subsection, a de minimis violation is any violation that is unintentional and not material in nature.

(12) Notwithstanding the provisions of subsections (1)-(8), the commission may, at its discretion, dismiss any complaint or referral at any stage of disposition should it determine that the public interest would not be served by proceeding further, in which case the commission shall issue a public report stating with particularity its reasons for the dismissal.

**History.**—s. 2, ch. 74-176; s. 5, ch. 75-199; s. 3, ch. 83-282; s. 30, ch. 90-360; s. 14, ch. 91-85; s. 11, ch. 94-277; s. 1417, ch. 95-147; s. 2, ch. 95-354; s. 4, ch. 96-311; s. 3, ch. 97-293; s. 14, ch. 2000-151; s. 17, ch. 2000-331; s. 30, ch. 2001-266; s. 1, ch. 2002-186; s. 1, ch. 2005-186; s. 17, ch. 2008-4; s. 3, ch. 2009-126; s. 1, ch. 2010-116; s. 1, ch. 2010-130; s. 18, ch. 2011-34; s. 17, ch. 2013-36; s. 1, ch. 2013-38; s. 18, ch. 2014-17; s. 1, ch. 2018-76; s. 9, ch. 2023-49.

**112.3241 Judicial review.**—Any final action by the commission taken pursuant to this part shall be subject to review in a district court of appeal upon the petition of the party against whom an adverse opinion, finding, or recommendation is made.

**History.**—s. 6, ch. 75-199; s. 4, ch. 84-318.

**112.3251 Citizen support and direct-support organizations; standards of conduct.**—A citizen support or direct-support organization created or authorized pursuant to law must adopt its own ethics code. The ethics code must contain the standards of conduct and disclosures required under ss. 112.313 and 112.3143(2), respectively. However, an ethics code adopted pursuant to this section is not required to contain the standards of conduct specified in s. 112.313(3) or (7). The citizen support or direct-support organization may adopt additional or more stringent standards of conduct and disclosure requirements if those standards of conduct and disclosure requirements do not otherwise conflict with this part. The ethics code must be conspicuously posted on the citizen support or direct-support organization's website.

**History.**—s. 5, ch. 2014-183.

**112.326 Additional requirements by political subdivisions and agencies not prohibited.**—Nothing in this act shall prohibit the governing body of any political subdivision, by ordinance, or agency, by rule, from imposing upon its own officers and employees additional or more stringent standards of conduct and disclosure requirements than those specified in this part, provided that those standards of conduct and disclosure requirements do not otherwise conflict with the provisions of this part.

**History.**—s. 5, ch. 75-196; s. 12, ch. 94-277.

**112.3261 Lobbying before water management districts; registration and reporting.**—

(1) As used in this section, the term:

(a) “District” means a water management district created in s. 373.069 and operating under the authority of chapter 373.

(b) “Lobbies” means seeking, on behalf of another person, to influence a district with respect to a decision of the district in an area of policy or procurement or an attempt to obtain the goodwill of a district official or employee. The term “lobbies” shall be interpreted and applied consistently with the rules of the commission implementing s. 112.3215.

(c) “Lobbyist” has the same meaning as provided in s. 112.3215.

(d) “Principal” has the same meaning as provided in s. 112.3215.

(2) A person may not lobby a district until such person has registered as a lobbyist with that district. Such registration shall be due upon initially being retained to lobby and is renewable on a calendar-year basis thereafter. Upon registration, the person shall provide a statement signed by the principal or principal's representative stating that the registrant is authorized to represent the principal. The principal shall also identify and designate its main business on the statement authorizing that lobbyist pursuant to a classification system approved by the district. Any changes to the information required by this section must be disclosed within 15 days by filing a new registration form. The registration form shall require each lobbyist to disclose, under oath, the following:

- (a) The lobbyist's name and business address.
  - (b) The name and business address of each principal represented.
  - (c) The existence of any direct or indirect business association, partnership, or financial relationship with any officer or employee of a district with which he or she lobbies or intends to lobby.
  - (d) In lieu of creating its own lobbyist registration forms, a district may accept a completed legislative branch or executive branch lobbyist registration form.
- (3) A district shall make lobbyist registrations available to the public. If a district maintains a website, a database of currently registered lobbyists and principals must be available on the district's website.
- (4) A lobbyist shall promptly send a written statement to the district canceling the registration for a principal upon termination of the lobbyist's representation of that principal. A district may remove the name of a lobbyist from the list of registered lobbyists if the principal notifies the district that a person is no longer authorized to represent that principal.
- (5) A district may establish an annual lobbyist registration fee, not to exceed \$40, for each principal represented. The district may use registration fees only to administer this section.
- (6) A district shall be diligent to ascertain whether persons required to register pursuant to this section have complied. A district may not knowingly authorize a person who is not registered pursuant to this section to lobby the district.
- (7) Upon receipt of a sworn complaint alleging that a lobbyist or principal has failed to register with a district or has knowingly submitted false information in a report or registration required under this section, the commission shall investigate a lobbyist or principal pursuant to the procedures established under s. 112.324. The commission shall provide the Governor with a report of its findings and recommendations in any investigation conducted pursuant to this subsection. The Governor is authorized to enforce the commission's findings and recommendations.
- (8) Water management districts may adopt rules to establish procedures to govern the registration of lobbyists, including the adoption of forms and the establishment of a lobbyist registration fee.

History.—s. 6, ch. 2014-183.

#### PART IV SUPPLEMENTAL RETIREMENT ACT FOR RETIRED MEMBERS OF STATE RETIREMENT SYSTEMS

- 112.351 Short title.
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**112.351 Short title.**—This act shall be known and cited as the “Florida Supplemental Retirement Act for Retired Members of State Retirement Systems.”

History.—s. 1, ch. 67-276.

**112.352 Definitions.**—The following words and phrases as used in this act shall have the following meaning unless a different meaning is required by the context:

- (1) “Base year” means the year in which a retired member actually retired from a system or the year in which the member attained age 65, if later.
- (2) “Department” means the Department of Management Services.
- (3) “Funds” shall mean the special trust funds in the State Treasury created under each of the retirement laws covered by this act.
- (4) “Joint annuitant” means any person named by a retired member under the applicable system to receive any retirement benefits due and payable from the system after the member's death.

(5) “Retired member” shall mean any person who had both attained age 65 and retired prior to January 1, 1966, and is receiving benefits under any of the following systems:

(a) State and County Officers and Employees Retirement System, created by authority of chapter 122.

(b) Supreme Court Justices, District Courts of Appeal Judges and Circuit Judges Retirement System, created by authority of former chapter 123.

(c) Teachers’ Retirement System of the state, created by authority of chapter 238; or

(d) Highway Patrol Pension Trust Fund, created by authority of chapter 321.

(6) “Retirement benefit” means the monthly benefit which a retired member or joint annuitant is receiving from a system.

(7) “Social security benefit” shall mean the monthly primary insurance amount, computed in accordance with the Social Security Act from which is derived the monthly benefit amount, which the retired member is receiving, entitled to receive, or would be entitled to receive upon application to the Social Security Administration, without taking into account any earned income which would cause a reduction in such amount. For purposes of this act, the social security benefit of:

(a) A retired member who is not insured under the Social Security Act shall be zero, and

(b) A deceased retired member who was insured under the Social Security Act shall be the primary insurance amount from which is derived the monthly benefit amount which the member was receiving or entitled to receive in the month immediately preceding his or her date of death.

(8) “System” shall mean any of the retirement systems specified in subsection (5).

**History.**—s. 2, ch. 67-276; ss. 31, 35, ch. 69-106; s. 35, ch. 71-377; s. 1, ch. 73-326; s. 45, ch. 92-279; s. 55, ch. 92-326; s. 706, ch. 95-147; s. 1, ch. 95-154; s. 44, ch. 99-2; s. 14, ch. 99-255; s. 38, ch. 2023-8.

**112.353 Purpose of act.**—The purpose of this act is to provide a supplement to the monthly retirement benefits being paid to, or with respect to, retired members under the retirement systems specified in s. 112.352(5) and any permanently and totally disabled retired member who became thus disabled in the line of duty and while performing the duties incident to his or her employment, such supplement to be approximately equal to the excess of the increase in social security benefits that the retired member would have received had he or she been covered for maximum benefits under the Social Security Act at age 65 or at date of retirement, whichever is later, over the amount of increase he or she has previously received or is entitled to receive by virtue of coverage under the Social Security Act.

**History.**—s. 3, ch. 67-276; s. 707, ch. 95-147; s. 39, ch. 2023-8.

**112.354 Eligibility for supplement.**—Each retired member or, if applicable, a joint annuitant, except any person receiving survivor benefits under the teachers’ retirement system of the state in accordance with s. 238.07(18), shall be entitled to receive a supplement computed in accordance with s. 112.355 upon:

(1) Furnishing to the Department of Management Services evidence from the Social Security Administration setting forth the retired member’s social security benefit or certifying the noninsured status of the retired member under the Social Security Act, and

(2) Filing written application with the Department of Management Services for such supplement.

**History.**—s. 4, ch. 67-276; ss. 31, 35, ch. 69-106; s. 1, ch. 73-326; s. 15, ch. 99-255; s. 7, ch. 2010-5.

**112.355 Supplement amount.**—

(1) The supplement amount shall be calculated in the following manner, based on the retired member’s social security benefit and the table of values below:

TABLE OF VALUES				
Base Year	I	II	III	IV
Prior to 1951	\$57.00	\$34.00	\$58.00	\$102.00
1951-1952	33.00	24.00	69.00	113.00
1953-1954	28.00	19.00	69.00	113.00
1955-1958	16.00	14.00	81.00	125.00
1959-1965	9.00	4.00	92.00	136.00

(2) The supplement amount for a retired member whose social security benefit is less than \$44 shall be equal to (a) minus the product of (b) and (c) where:

(a) Is the value shown in column I of the table of values for the retired member’s base year,



(b) Is the value shown in column II of the table of values for the retired member's base year, and  
(c) Is the retired member's social security benefit divided by \$44, subject to the provisions of subsection (4).

(3) The supplement amount for a retired member whose social security benefit is \$44 or more shall be equal to the product of paragraphs (a) and (b) of this subsection where:

(a) Is the difference between the value shown in column I and column II of the table of values for the retired member's base year, and

(b) Is the value shown in column IV of the table of values for the retired member's base year minus the retired member's social security benefit, such difference divided by the value shown in column III of the table of values. In no event shall (b), as calculated in the previous sentence, be less than zero; subject to the provisions of subsection (4).

(4) The supplement amount for any retired member of, if applicable, a joint annuitant, who is receiving a retirement benefit of lesser amount than the normal retirement benefit to which the retired member was entitled at time of retirement because of early retirement or election of an optional form of payment, shall be reduced to an amount equal to the product of paragraphs (a) and (b) of this subsection where:

(a) Is the reduced retirement benefit such member or joint annuitant is receiving divided by the normal retirement benefit to which the retired member was entitled at retirement, and

(b) Is the supplement amount computed in accordance with subsection (2) or subsection (3), whichever is applicable.

(5) The supplement amount calculated in accordance with this section shall be rounded to the nearest dollar.

**History.**—s. 5, ch. 67-276; s. 708, ch. 95-147.

**112.356 Payment of supplement.**—Any supplement due and payable under this act shall be paid by the department or under the direction and control of the department, based on information furnished by the retired member, or a joint annuitant, and the administrator of the system under which retirement benefits are being paid, beginning on the first day of the month coincident with or next following the later of the effective date of this act and the date of approval of the application for supplement by the department, and payable thereafter on the first day of each month in the normal or optional form in which retirement benefits under the applicable system are being paid; provided, however, that if application for supplement is made subsequent to December 31, 1967, not more than 6 retroactive monthly supplements shall be paid.

**History.**—s. 6, ch. 67-276; ss. 31, 35, ch. 69-106; s. 16, ch. 99-255.

**112.357 Appropriation.**—There is hereby appropriated annually from the respective retirement trust fund from which the retired member is receiving his or her normal retirement benefit, an amount necessary to provide the benefits hereunder, and the amount necessary for the effective and efficient administration of this act.

**History.**—s. 7, ch. 67-276; s. 709, ch. 95-147.

**112.359 Benefits exempt from taxes and execution.**—The benefits provided for any person under the provisions of this act are exempt from any state, county or municipal tax of the state and shall not be subject to assignment, execution or attachment or to any legal process whatsoever.

**History.**—s. 9, ch. 67-276.

**112.360 Amendments.**—References in this act to state and federal laws are intended to include such laws as they now exist or may hereafter be amended.

**History.**—s. 10, ch. 67-276.

**112.361 Additional and updated supplemental retirement benefits.**—

(1) **SHORT TITLE.**—This section shall be known and cited as “The 1969 Florida Supplemental Retirement Act.”

(2) **DEFINITIONS.**—As used in this section, unless a different meaning is required by the context:

(a) “Department” means the Department of Management Services.

(b) “Funds” means the special trust funds in the State Treasury created under each of the retirement laws covered by this section.

(c) “Joint annuitant” means any person named by a retired member under the applicable system to receive any retirement benefits due and payable from the system after his or her death.

(d) “Retired member” means any person:

1. Who either:

a. Had both attained age 65 and retired for reasons other than disability prior to January 1, 1968; or

b. Had retired because of disability prior to January 1, 1968, and who, if he or she had been covered under the Social Security Act, would have been eligible for disability benefits under Title II of the Social Security Act; and

2. Who is receiving benefits under any of the following systems:

a. State and County Officers and Employees Retirement System created by authority of chapter 122;

b. Supreme Court Justices, District Courts of Appeal Judges and Circuit Judges Retirement System created by authority of former chapter 123;

c. Teachers' Retirement System of the state created by authority of chapter 238; or

d. Highway Patrol Pension Trust Fund created by authority of chapter 321.

In addition, "retired member" includes any state official or state employee who retired prior to January 1, 1958, and is receiving benefits by authority of s. 112.05.

(e) "Retirement benefit" means the monthly benefit which a retired member or joint annuitant is receiving from a system.

(f) "Social security benefit" means the monthly primary insurance amount, computed in accordance with the Social Security Act, from which is derived the monthly benefit amount which the retired member is receiving, entitled to receive, or would be entitled to receive upon application to the Social Security Administration, without taking into account any earned income which would cause a reduction in such amount. For purposes of this section:

1. The social security benefit of a retired member who is not insured under the Social Security Act shall be zero, and

2. The social security benefit of a deceased retired member who was insured under the Social Security Act shall be the primary insurance amount from which is derived the monthly benefit amount which the member was receiving or entitled to receive in the month immediately preceding his or her date of death.

(g) "System" means any of the retirement systems specified in paragraph (d), including that pursuant to s. 112.05.

(3) PURPOSE OF SECTION.—The purpose of this section is to provide a supplement to the monthly retirement benefits being paid to, or with respect to, retired members under the retirement systems specified in paragraph (2)(d), such supplement to be approximately equal to the excess of the increase in social security benefits that the retired member would have received as a result of the 1967 amendments to the Social Security Act had he or she been covered for maximum benefits under the Social Security Act at age 65 or at date of retirement, whichever is later, over the amount of increase he or she has previously received or is entitled to receive as a result of the 1967 amendments to the Social Security Act by virtue of coverage under the Social Security Act.

(4) ELIGIBILITY FOR SUPPLEMENT.—Each retired member or, if applicable, a joint annuitant, except any person receiving survivor's benefits under the Teachers' Retirement System of the state in accordance with s. 238.07(18), shall be entitled to receive a supplement computed in accordance with subsection (5), upon:

(a) Furnishing to the department evidence from the Social Security Administration setting forth the retired member's social security benefit or certifying the noninsured status of the retired member under the Social Security Act, and

(b) Filing written application with the department for such supplement.

(5) SUPPLEMENT AMOUNT.—

(a) The supplement amount for any retired member who is receiving the full normal retirement benefit to which the member was entitled at time of retirement shall be equal to \$18 minus 11.5 percent of the member's social security benefit.

(b) The supplement amount for any retired member or, if applicable, a joint annuitant, who is receiving a retirement benefit of lesser amount than the normal retirement benefit to which the retired member was entitled at time of retirement because of early retirement or election of an optional form of payment, shall be reduced to an amount equal to the product of subparagraphs 1. and 2. where:



1. Is the reduced retirement benefit such member or joint annuitant is receiving divided by the normal retirement benefit to which the retired member was entitled at retirement; and

2. Is the supplement amount computed in accordance with paragraph (a).

(c) The supplement amount calculated in accordance with this subsection shall be rounded to the nearest dollar.

(6) **PAYMENT OF SUPPLEMENT.**—Any supplement due and payable under this section shall be paid by the department or under the direction and control of the department, based on information furnished by the retired member, or a joint annuitant, and the administrator of the system under which retirement benefits are being paid, beginning on the first day of the month coincident with or next following the later of:

(a) July 1, 1969, or

(b) The date of approval of the application for supplement by the department, and payable thereafter on the first day of each month in the normal or optional form in which retirement benefits under the applicable system are being paid. However, no retroactive monthly supplements shall be paid for any period prior to the date specified in this paragraph.

(7) **APPROPRIATION.**—

(a) There is hereby appropriated annually from the respective retirement trust fund from which the retired member is receiving his or her retirement benefit an amount necessary to provide the benefits hereunder and the amount necessary for the effective and efficient administration of this section.

(b) Amounts necessary to provide for benefits and expenses hereunder on behalf of retired members receiving benefits pursuant to s. 112.05 are hereby annually appropriated out of any moneys in the State Treasury not otherwise appropriated which amount out of the general revenue fund shall not exceed \$50,000 annually.

(8) **BENEFITS EXEMPT FROM TAXES AND EXECUTION.**—The benefits provided for any person under the provisions of this section are exempt from any state, county, or municipal tax and shall not be subject to assignment, execution, or attachment or to any legal process whatsoever.

(9) **AMENDMENTS.**—References in this section to state and federal laws are intended to include such laws as they now exist or may hereafter be amended.

**History.**—s. 1, ch. 69-126; ss. 31, 35, ch. 69-106; s. 36, ch. 71-377; s. 1, ch. 73-326; s. 46, ch. 92-279; s. 55, ch. 92-326; s. 710, ch. 95-147; s. 2, ch. 95-154; s. 45, ch. 99-2; s. 18, ch. 99-255; s. 8, ch. 2010-5; s. 6, ch. 2013-18; s. 40, ch. 2023-8.

#### **112.362 Recomputation of retirement benefits.**—

(1)(a) A member of any state-supported retirement system who retired prior to July 1, 1987, who has not less than 10 years of creditable service, and who is not entitled to the minimum benefit provided for in paragraph (b), upon reaching 65 years of age and upon application to the administrator of his or her retirement system, may have his or her present monthly retirement benefits recomputed and receive a monthly retirement allowance equal to \$8 multiplied by the total number of years of creditable service. Effective July 1, 1980, this minimum monthly benefit shall be equal to \$10.50 multiplied by the total number of years of creditable service, and thereafter said minimum monthly benefit shall be recomputed as provided in paragraph (5)(a). No present retirement benefits shall be reduced under this computation.

(b) A member of any state-supported retirement system who has already retired under a retirement plan or system which does not require its members to participate in social security pursuant to a modification of the federal-state social security agreement as authorized by the provisions of chapter 650, who is over 65 years of age, and who has more than 15 years of creditable service, upon application to the administrator, may have his or her present monthly retirement benefits recomputed and receive a monthly retirement allowance equal to \$8 multiplied by the first 15 years of creditable service and \$10 multiplied by every additional year of creditable service thereafter. No present retirement benefits shall be reduced under this computation. The minimum monthly benefit provided by this paragraph shall not apply to any member or the beneficiary of any member who retires after June 30, 1978.

(c) A member of any state-supported retirement system who, during the period July 1, 1975, through June 30, 1976, was on the retired payroll with more than 15 years of creditable service, was over 65 years of age, and was not eligible for the \$10 minimum benefit provided by paragraph (b) shall receive the \$8 minimum benefit provided by paragraph (a) retroactive to the date such retired person

would first have been eligible for the \$8 minimum benefit under the provisions of this section, had said section not been amended by chapter 75-242, Laws of Florida. Such retroactive \$8 minimum benefit shall also be payable to the beneficiary or surviving spouse of a member who, if living, would have qualified for this retroactive minimum benefit.

(d) A member of any state-supported retirement system who retires on or after July 1, 1987, with at least 10 years of creditable service, having attained normal retirement date shall, upon reaching age 65 and making proper application to the administrator, be eligible to receive the applicable minimum monthly benefit provided by this subsection with the exception that only those years of creditable service accumulated by the member through June 30, 1987, shall be used in the calculation of the minimum monthly benefit amount and that no benefit shall exceed the average monthly compensation of the retiree due to the application of the minimum monthly benefit. All creditable service claimed for periods which occurred prior to July 1, 1987, shall be presumed to have been accumulated as of June 30, 1987, irrespective of the date on which such creditable service is claimed and credited. The minimum monthly benefit provided by this paragraph shall be reduced by the actuarial factor applied to the optional form of benefit under which the benefit is paid. The surviving spouse or beneficiary who is receiving a monthly benefit from a deceased retiree's account shall be eligible to receive the minimum monthly benefit provided herein at the time the retiree would have been eligible for it had he or she lived, subject to the limitations herein and the appropriate actuarial reductions.

(2)(a) A retired member of any state-supported retirement system who retires prior to July 1, 1987, and who possesses the creditable service requirements contained in paragraph (1)(a) or paragraph (1)(b), or the surviving spouse or beneficiary of said member if such spouse or beneficiary is receiving a retirement benefit, shall, at the time the retiree reaches 65 years of age or would have reached 65 years of age if deceased, and upon proper application to the administrator, have his or her monthly retirement benefit recomputed and may receive a retirement benefit as provided in either paragraph (1)(a) or paragraph (1)(b) and, if a retirement option has been elected by the member, multiplied by the actuarial reduction factor relating to such retirement option and, if the member is deceased, multiplied by the percentage of the benefit payable to the surviving spouse or beneficiary. No present retirement benefits shall be reduced under this computation.

(b) A member of any state-supported retirement system who retires after July 1, 1975, and before July 1, 1987, who is over 65 years of age at the time of his or her retirement may be entitled to the benefit recalculation options provided by either paragraph (1)(a) or paragraph (1)(b).

(3) A member of any state-supported retirement system who has already retired under a retirement plan or system which does not require its members to participate in social security pursuant to a modification of the federal-state social security agreement as authorized by the provisions of chapter 650, who is over 65 years of age, and who has not less than 10 years of creditable service, or the surviving spouse or beneficiary of said member who, if living, would be over 65 years of age, upon application to the administrator, may have his or her present monthly retirement benefits recomputed and receive a monthly retirement allowance equal to \$10 multiplied by the total number of years of creditable service. Effective July 1, 1978, this minimum monthly benefit shall be equal to \$10.50 multiplied by the total number of years of creditable service, and thereafter said minimum monthly benefit shall be recomputed as provided in paragraph (5)(a). This adjustment shall be made in accordance with subsection (2). No retirement benefits shall be reduced under this computation. Retirees receiving additional benefits under the provisions of this subsection shall also receive the cost-of-living adjustments provided by the appropriate state-supported retirement system for the fiscal year beginning July 1, 1977, and for each fiscal year thereafter. The minimum monthly benefit provided by this subsection shall not apply to any member or the beneficiary of any member who retires after June 30, 1978.

(4)(a) Effective July 1, 1980, any person who retired prior to July 1, 1987, under a state-supported retirement system with not less than 10 years of creditable service and who is not receiving or entitled to receive federal social security benefits shall, upon reaching 65 years of age and upon application to the Department of Management Services, be entitled to receive a minimum monthly benefit equal to \$16.50 multiplied by the member's total number of years of creditable service and adjusted by the actuarial factor applied to the original benefit for optional forms of retirement. Thereafter, the minimum monthly benefit shall be recomputed as provided in paragraph (5)(a). Application for this minimum monthly benefit shall include certification by the retired member that he or she is not

receiving and is not entitled to receive social security benefits and shall include written authorization for the Department of Management Services to have access to information from the Federal Social Security Administration concerning the member's entitlement to or eligibility for social security benefits. The minimum benefit provided by this paragraph shall not be paid unless and until the application requirements of this paragraph are satisfied.

(b) Effective July 1, 1978, the surviving spouse or beneficiary who is receiving or entitled to receive a monthly benefit commencing prior to July 1, 1987, from the account of any deceased retired member who had completed at least 10 years of creditable service shall, at the time such deceased retiree would have reached age 65, if living, and, upon application to the Department of Management Services, be entitled to receive the minimum monthly benefit described in paragraph (a), adjusted by the actuarial factor applied to the optional form of benefit payable to said surviving spouse or beneficiary, provided said person is not receiving or entitled to receive federal social security benefits. Application for this minimum monthly benefit shall include certification by the surviving spouse or beneficiary that he or she is not receiving and is not entitled to receive social security benefits and shall include written authorization for the Department of Management Services to have access to information from the Federal Social Security Administration concerning such person's entitlement to or eligibility for social security benefits. The minimum benefit provided by this paragraph shall not be paid unless and until the application requirements of this paragraph are satisfied.

(c) The minimum benefits authorized by this subsection shall be payable from the first day of the month following the month during which the retired member becomes or would have become age 65.

(d) A member of any state-supported retirement system who retires on or after July 1, 1987, with at least 10 years of creditable service, having attained normal retirement date shall, upon reaching age 65 and making proper application to the administrator, be eligible to receive the applicable minimum monthly benefit provided by this subsection with the exception that only those years of creditable service accumulated by the member through June 30, 1987, shall be used in the calculation of the minimum monthly benefit amount and that no benefit shall exceed the average monthly compensation of the retiree due to the application of the minimum monthly benefit. All creditable service claimed for periods which occurred prior to July 1, 1987, shall be presumed to have been accumulated as of June 30, 1987, irrespective of the date on which such creditable service is claimed and credited. The minimum monthly benefit provided by this paragraph shall be reduced by the actuarial factor applied to the optional form of benefit under which the benefit is paid. The surviving spouse or beneficiary who is receiving a monthly benefit from a deceased retiree's account shall be eligible to receive the minimum monthly benefit provided herein at the time the retiree would have been eligible for it had he or she lived, subject to the limitations herein and the appropriate actuarial reductions.

(5)(a) Effective July 1, 1981, the dollar factors used in determining the minimum benefits provided by this section shall be adjusted by an amount derived by multiplying said dollar factors by the percentage change in the average cost-of-living index since the previous July 1, not to exceed 3 percent. Each July 1 thereafter, the adjusted dollar factors used in determining the minimum benefits provided by this section shall continue to be adjusted by an amount derived by multiplying the current adjusted dollar factors by the percentage change in the average cost-of-living index since the previous July 1, not to exceed 3 percent for any annual adjustment.

(b) "Average cost-of-living index" as of any July 1 date means the average of the monthly Consumer Price Index figures for the 12-month period from April 1 through March 31 immediately prior to the adjustment date, relative to the United States as a whole, issued by the Bureau of Labor Statistics of the United States Department of Labor.

(c) Effective July 1, 1987, the adjusted dollar factors used in determining the minimum benefits provided by this section shall be adjusted by a constant 3 percent.

(6) The funds necessary to pay the minimum monthly benefits provided by this section are hereby annually appropriated from the fund from which the original benefits are paid.

(7) A member, or a joint annuitant or other beneficiary, who is receiving a monthly benefit may refuse the application of the minimum benefit adjustment to such benefit.

**History.**—s. 1, ch. 70-224; s. 1, ch. 72-282; ss. 1, 2, 3, ch. 75-242; ss. 1, 2, ch. 76-228; s. 1, ch. 77-241; s. 1, ch. 78-364; s. 6, ch. 79-377; s. 1, ch. 80-242; s. 2, ch. 81-307; s. 3, ch. 85-246; s. 1, ch. 86-137; s. 2, ch. 88-382; s. 711, ch. 95-147; s. 19, ch. 99-255; s. 1, ch. 2000-347; s. 8, ch. 2016-10.

**112.363 Retiree health insurance subsidy.—**

(1) **PURPOSE OF SECTION.**—The purpose of this section is to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance.

(2) **ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.**—

(a) A person who is retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system, is eligible for health insurance subsidy payments provided under this section; except that pension recipients under ss. 121.40, 238.07(18)(a), and 250.22, recipients of health insurance coverage under s. 110.1232, or any other special pension or relief act shall not be eligible for such payments.

(b) For purposes of this section, a person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System as described in s. 121.021(39) and:

1. For a member of the investment plan established under part II of chapter 121, the participant meets the age or service requirements to qualify for normal retirement as set forth in s. 121.021(29) and meets the definition of retiree in s. 121.4501(2).

2. For a member of the Florida Retirement System Pension Plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

(c) Effective July 1, 2001, any person retiring on or after that date as a member of the Florida Retirement System, including a member of the investment plan administered pursuant to part II of chapter 121, must have satisfied the vesting requirements for his or her membership class under the pension plan as administered under part I of chapter 121. However, a person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit as provided in s. 121.091(4) or qualify for a disability benefit under a disability plan established under part II of chapter 121, as appropriate.

(d) Payment of the retiree health insurance subsidy shall be made only after coverage for health insurance for the retiree or beneficiary has been certified in writing to the Department of Management Services. Participation in a former employer's group health insurance program is not a requirement for eligibility under this section. Coverage issued pursuant to s. 408.9091 is considered health insurance for the purposes of this section.

(e) Participants in the Senior Management Service Optional Annuity Program as provided in s. 121.055(6) and the State University System Optional Retirement Program as provided in s. 121.35 shall not receive the retiree health insurance subsidy provided in this section. The employer of such participant shall pay the contributions required in subsection (8) to the annuity program provided in s. 121.055(6)(d) or s. 121.35(4)(a), as applicable.

(3) **RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.**—

(a) Beginning January 1, 1988, each eligible retiree or a beneficiary who is a spouse or financial dependent thereof shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as defined in s. 121.021(17), completed at the time of retirement multiplied by \$1; however, no retiree may receive a subsidy payment of more than \$30 or less than \$10.

(b) Beginning January 1, 1989, each eligible retiree or a beneficiary who is a spouse or financial dependent shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as defined in s. 121.021(17), completed at the time of retirement multiplied by \$2; however, no retiree may receive a subsidy payment of more than \$60 or less than \$20.

(c) Beginning January 1, 1991, each eligible retiree or a beneficiary who is a spouse or financial dependent shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as defined in s. 121.021(17), completed at the time of retirement multiplied by \$3; however, no retiree may receive a subsidy payment of more than \$90 or less than \$30.

(d) Beginning January 1, 1999, each eligible retiree or, if the retiree is deceased, his or her beneficiary who is receiving a monthly benefit from such retiree's account and who is a spouse, or a person who meets the definition of joint annuitant in s. 121.021(28), shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as defined in s. 121.021(17), completed at the time of retirement multiplied by \$5; however, no eligible retiree or



such beneficiary may receive a subsidy payment of more than \$150 or less than \$50. If there are multiple beneficiaries, the total payment must not be greater than the payment to which the retiree was entitled.

(e)1. Beginning July 1, 2001, each eligible retiree of the pension plan of the Florida Retirement System, or, if the retiree is deceased, his or her beneficiary who is receiving a monthly benefit from such retiree's account and who is a spouse, or a person who meets the definition of joint annuitant in s. 121.021, shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as defined in s. 121.021, completed at the time of retirement multiplied by \$5; however, no eligible retiree or beneficiary may receive a subsidy payment of more than \$150 or less than \$30. If there are multiple beneficiaries, the total payment may not be greater than the payment to which the retiree was entitled. The health insurance subsidy amount payable to any person receiving the retiree health insurance subsidy payment on July 1, 2001, may not be reduced solely by operation of this subparagraph.

2. Beginning July 1, 2002, each eligible member of the investment plan of the Florida Retirement System who has met the requirements of this section, or, if the member is deceased, his or her spouse who is the member's designated beneficiary, shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as provided in this subparagraph, completed at the time of retirement, multiplied by \$5; however, an eligible retiree or beneficiary may not receive a subsidy payment of more than \$150 or less than \$30. For purposes of determining a member's creditable service used to calculate the health insurance subsidy, a member's years of service credit or fraction thereof shall be based on the member's work year as defined in s. 121.021(54). Credit must be awarded for a full work year if health insurance subsidy contributions have been made for each month in the member's work year. In addition, all years of creditable service retained under the Florida Retirement System Pension Plan must be included as creditable service for purposes of this section. Notwithstanding any other provision in this section, the spouse at the time of death is the member's beneficiary unless such member has designated a different beneficiary subsequent to the member's most recent marriage.

(f)1. Beginning July 1, 2023, each eligible retiree of the pension plan of the Florida Retirement System, or, if the retiree is deceased, his or her beneficiary who is receiving a monthly benefit from such retiree's account and who is a spouse, or a person who meets the definition of joint annuitant in s. 121.021(28), shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as defined in s. 121.021(17), completed at the time of retirement multiplied by \$7.50; however, an eligible retiree or beneficiary may not receive a subsidy payment of more than \$225 or less than \$45. If there are multiple beneficiaries, the total payment may not be greater than the payment to which the retiree was entitled. The health insurance subsidy amount payable to any person receiving the retiree health insurance subsidy payment on July 1, 2023, may not be reduced solely by operation of this subparagraph.

2. Beginning July 1, 2023, each eligible member of the investment plan of the Florida Retirement System who has met the requirements of this section, or, if the member is deceased, his or her spouse who is the member's designated beneficiary, shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, as provided in this subparagraph, completed at the time of retirement multiplied by \$7.50; however, an eligible retiree or beneficiary may not receive a subsidy payment of more than \$225 or less than \$45. For purposes of determining a member's creditable service used to calculate the health insurance subsidy, a member's years of service credit or fraction thereof must be based on the member's work year as defined in s. 121.021(54). Credit must be awarded for a full work year if health insurance subsidy contributions have been made for each month in the member's work year. In addition, all years of creditable service retained under the Florida Retirement System Pension Plan must be included as creditable service for purposes of this section. Notwithstanding this section, the spouse at the time of death is the member's beneficiary unless such member has designated a different beneficiary subsequent to the member's most recent marriage.

(4) PAYMENT OF RETIREE HEALTH INSURANCE SUBSIDY.—Beginning January 1, 1988, any monthly retiree health insurance subsidy amount due and payable under this section shall be paid to retired members by the Department of Management Services or under the direction and control of the department.

(5) **TRUST FUND ESTABLISHED.**—There is hereby established a trust fund in the state treasury to be entitled the Retiree Health Insurance Subsidy Trust Fund. Said trust fund shall be used to account for all moneys received and disbursed pursuant to this section. Should funding for the retiree health insurance subsidy program fail to provide full benefits for all participants, the benefits may be reduced or canceled at any time.

(6) **INVESTMENTS OF THE TRUST FUND.**—The State Board of Administration created by the authority of the State Constitution shall invest and reinvest the funds of the trust fund in accordance with ss. 215.44-215.53. Costs incurred by the Board of Administration incurring from the provisions of this section shall be deducted from the interest earnings accruing to the trust fund.

(7) **ADMINISTRATION OF SYSTEM.**—The Department of Management Services may adopt such rules and regulations as are necessary for the effective and efficient administration of this section. The cost of administration shall be appropriated from the trust fund.

(8) **CONTRIBUTIONS.**—For purposes of funding the insurance subsidy provided by this section:

(a) Beginning October 1, 1987, the employer of each member of a state-administered retirement plan shall contribute 0.24 percent of gross compensation each pay period.

(b) Beginning January 1, 1989, the employer of each member of a state-administered retirement plan shall contribute 0.48 percent of gross compensation each pay period.

(c) Beginning January 1, 1994, the employer of each member of a state-administered retirement plan shall contribute 0.56 percent of gross compensation each pay period.

(d) Beginning January 1, 1995, the employer of each member of a state-administered retirement plan shall contribute 0.66 percent of gross compensation each pay period.

(e) Beginning July 1, 1998, the employer of each member of a state-administered retirement plan shall contribute 0.94 percent of gross compensation each pay period.

(f) Beginning July 1, 2001, the employer of each member of a state-administered plan shall contribute 1.11 percent of gross compensation each pay period.

(g) Beginning July 1, 2013, the employer of each member of a state-administered plan shall contribute 1.20 percent of gross compensation each pay period.

(h) Beginning July 1, 2014, the employer of each member of a state-administered plan shall contribute 1.26 percent of gross compensation each pay period.

(i) Beginning July 1, 2015, the employer of each member of a state-administered plan shall contribute 1.66 percent of gross compensation each pay period.

(j) Beginning July 1, 2023, the employer of each member of a state-administered retirement plan shall contribute 2.00 percent of gross compensation each pay period.

Such contributions shall be submitted to the Department of Management Services and deposited in the Retiree Health Insurance Subsidy Trust Fund.

(9) **BENEFITS.**—Subsidy payments shall be payable under the retiree health insurance subsidy program only to participants in the program or their beneficiaries, beginning with the month the division receives certification of coverage for health insurance for the eligible retiree or beneficiary. If the division receives such certification at any time during the 6 months after retirement benefits commence, the retiree health insurance subsidy shall be paid retroactive to the effective retirement date. If, however, the division receives such certification 7 or more months after commencement of benefits, the retroactive retiree health insurance subsidy payment will cover a maximum of 6 months. Such subsidy payments shall not be subject to assignment, execution, or attachment or to any legal process whatsoever.

**History.**—s. 4, ch. 87-373; s. 3, ch. 88-382; s. 2, ch. 90-274; s. 47, ch. 92-279; s. 55, ch. 92-326; s. 2, ch. 93-193; s. 2, ch. 94-259; s. 1, ch. 98-413; s. 20, ch. 99-255; s. 18, ch. 2000-169; s. 13, ch. 2001-262; s. 1, ch. 2004-71; s. 1, ch. 2008-32; s. 9, ch. 2010-5; s. 3, ch. 2011-68; s. 1, ch. 2013-53; s. 1, ch. 2014-54; s. 1, ch. 2015-227; s. 1, ch. 2023-193.

#### **PART V**

#### **SUSPENSION, REMOVAL, OR**

#### **RETIREMENT OF PUBLIC OFFICERS**

112.40 Disposition of order of suspension.

112.41 Contents of order of suspension; Senate select committee; special magistrate.

112.42 Period during which grounds may have occurred.

112.43 Prosecution of suspension before Senate.

112.44 Failure to prove charges; payment of attorney's fees or salary.

112.45 Senate's report; results of prosecution.

- 112.46 Period during which suspension will lie.
- 112.47 Hearing before Senate select committee; notice.
- 112.48 Suspension when Senate not in session.
- 112.49 Persons exercising powers and duties of county officers subject to suspension by Governor.
- 112.50 Governor to retain power to suspend public officers.
- 112.501 Municipal board members; suspension; removal.
- 112.51 Municipal officers; suspension; removal from office.
- 112.511 Members of special district governing bodies; suspension; removal from office.
- 112.52 Removal of a public official when a method is not otherwise provided.

**112.40 Disposition of order of suspension.**—An order of suspension by the Governor, upon its execution, shall be delivered to the Department of State. The department shall forthwith deliver copies by registered mail, or otherwise as it may be advised, to the officer suspended, the Secretary of the Senate, and the Attorney General. The order of suspension shall be effective upon the filing of the same with the department of state. No further communication by the Governor with the Senate shall be necessary to permit the Senate to act.

*History.*—s. 1, ch. 69-277; ss. 10, 35, ch. 69-106.

**112.41 Contents of order of suspension; Senate select committee; special magistrate.**—

(1) The order of the Governor, in suspending any officer pursuant to the provisions of s. 7, Art. IV of the State Constitution, shall specify facts sufficient to advise both the officer and the Senate as to the charges made or the basis of the suspension.

(2) The Senate shall conduct a hearing in the manner prescribed by rules of the Senate adopted for this purpose.

(3) The Senate may provide for a select committee to be appointed by the Senate in accordance with its rules for the purpose of hearing the evidence and making its recommendation to the Senate as to the removal or reinstatement of the suspended officer.

(4) The Senate may, in lieu of the use of a select committee, appoint a special magistrate to receive the evidence and make recommendations to the Senate.

*History.*—s. 2, ch. 69-277; s. 60, ch. 2004-11.

**112.42 Period during which grounds may have occurred.**—The Governor may suspend any officer on any constitutional ground for such suspension that occurred during the existing term of the officer or during the next preceding 4 years.

*History.*—s. 3, ch. 69-277; s. 1, ch. 71-333.

**112.43 Prosecution of suspension before Senate.**—All suspensions heard by the Senate, a select committee, or special magistrate in accordance with rules of the Senate shall be prosecuted by the Governor, the Governor's legal staff, or an attorney designated by the Governor. Should the Senate, or the select committee appointed by the Senate to hear the evidence and to make recommendations, desire private counsel, either the Senate or the select committee shall be entitled to employ its own counsel for this purpose. Nothing herein shall prevent the Senate or its select committee from making its own investigation and presenting such evidence as its investigation may reveal. The Governor may request the advice of the Department of Legal Affairs relative to the suspension order prior to its issuance by the Governor. Following the issuance of the suspension order, either the Senate or the select committee may request the Department of Legal Affairs to provide counsel for the Senate to advise on questions of law or otherwise advise with the Senate or the select committee, but the Department of Legal Affairs shall not be required to prosecute before the Senate or the committee and shall, pursuant to the terms of this section, act as the legal adviser only.

*History.*—s. 4, ch. 69-277; s. 33, ch. 77-104; s. 712, ch. 95-147; s. 61, ch. 2004-11.

**112.44 Failure to prove charges; payment of attorney's fees or salary.**—In the event any officer suspended by the Governor shall not be removed by the Senate, the officer shall be reinstated, and the Senate may provide that the county, district, or state, as the case may be, shall pay reasonable attorney's fees and costs of the reinstated officer upon his or her exoneration; or the Legislature may at any time after such reinstatement provide for the payment from general revenue funds of reasonable attorney's fees and costs or the salary and emoluments of office from the date of suspension to the date of reinstatement. The appropriation for such fees, costs, and salary and emoluments may be contained in the General Appropriations Act or any other appropriate general act. This part shall constitute sufficient authority for the payment of such attorney's fees and costs as the officer may reasonably have incurred in his or her own defense.



**History.**—s. 5, ch. 69-277; s. 2, ch. 80-333; s. 713, ch. 95-147.

**112.45 Senate’s report; results of prosecution.—**

(1) The Secretary of the Senate shall, as soon as reasonably possible following the action of the Senate, file with the Department of State a report of the action of the Senate, including an order signed by the President and the Secretary specifying the action taken by the Senate. The action of the Senate shall become effective immediately upon the filing of the order with the Department of State, and the Department of State shall forthwith deliver copies of such order to the Governor, the officer involved, and the governing body of the county, district, or state, as the case may be. Any such order or any certified copy thereof, under the signature of the Secretary of State, may be recorded in the public records of any county in this state.

(2) The date of delivery of the order to the Department of State shall be the effective date of the removal or reinstatement, as the case may be, and, should the official be reinstated, he or she shall be entitled to reimbursement for such pay and emoluments of office from the date of suspension to that date, as though he or she had never been suspended, and the order of the Senate, or a certified copy thereof, shall constitute the authority of the county, district, or state, to make such payment for reimbursement.

**History.**—s. 6, ch. 69-277; ss. 10, 35, ch. 69-106; s. 714, ch. 95-147.

**112.46 Period during which suspension will lie.—**Any officer subject to suspension by the Governor pursuant to the State Constitution shall be subject to such suspension from the date provided by law for such officer to take office whether or not the Governor has executed and delivered the commission of office to the said officer. It is the intent of this part to provide that the formal execution of a commission by the Governor and a delivery thereof to the officer is a ministerial duty not necessary either to the performance of the duties of that officer or to the susceptibility to suspension of that officer. However, nothing in this part shall prohibit or preclude any officer claiming title to any office from seeking a judicial determination of his or her right to such office, regardless of the issuance or nonissuance of a commission to such office.

**History.**—s. 7, ch. 69-277; s. 715, ch. 95-147.

**112.47 Hearing before Senate select committee; notice.—**The Senate shall afford each suspended official a hearing before a select committee or special magistrate, and shall notify such suspended official of the time and place of the hearing sufficiently in advance thereof to afford such official an opportunity fully and adequately to prepare such defenses as the official may be advised are necessary and proper, and all such defenses may be presented by the official or by the official’s attorney. In the furtherance of this provision the Senate shall adopt sufficient procedural rules to afford due process both to the Governor in the presentation of his or her evidence and to the suspended official, but in the absence of such adoption, this section shall afford a full and complete hearing, public in nature, as required by the State Constitution. However, nothing in this part shall prevent either the select committee or the Senate from conducting portions of the hearing in executive session if the Senate rules so provide.

**History.**—s. 8, ch. 69-277; s. 716, ch. 95-147; s. 62, ch. 2004-11.

**112.48 Suspension when Senate not in session.—**The Governor may suspend any officer at any time, whether or not the Senate is in session. However, the Senate need not hear or determine the question of the suspension of the officer during any regular session.

**History.**—s. 9, ch. 69-277.

**112.49 Persons exercising powers and duties of county officers subject to suspension by Governor.—**In the administration of any city-county merger or city-county charter, or any such form of government which provides for the merging of the powers, duties, and functions of any municipal and county governments, any officer, official, or employee of such merged government who exercises the powers and duties of a county officer, whether he or she shall be elected or appointed, shall be deemed to be a county officer and therefore subject to the power of the Governor under the State Constitution to suspend officers. If the charter or other authority under which any city-county merger is accomplished shall provide means for the suspension or removal of such officers, then the power to suspend shall be concurrent in the city-county government and in the Governor.

**History.**—s. 2, ch. 71-333; s. 717, ch. 95-147.

**112.50 Governor to retain power to suspend public officers.—**Whenever any state, county, or municipal officer is made subject to suspension or removal by the terms of any statute or municipal charter, the power of the Governor to suspend officers shall not be affected by such statutory or

charter provisions, and the power to suspend shall reside concurrently in the Governor and in the statutory or charter authority.

**History.**—s. 3, ch. 71-333.

**112.501 Municipal board members; suspension; removal.—**

(1) For the purposes of this section, the term “municipal board member” is defined as any person who is appointed or confirmed by the governing body of a municipality to be a member of a board, commission, authority, or council which is created or authorized by general law, special act, or municipal charter.

(2) By resolution specifying facts sufficient to advise a municipal board member as to the basis for his or her suspension or removal and after reasonable notice to the municipal board member and an opportunity for the member to be heard, a governing body of the municipality may:

(a) Suspend or remove from office any municipal board member for malfeasance, misfeasance, neglect of duty, habitual drunkenness, incompetence, or permanent inability to perform his or her official duties.

(b) Suspend from office any municipal board member who is arrested for a felony or for a misdemeanor related to the duties of office or who is indicted or informed against for the commission of any federal felony or misdemeanor or state felony or misdemeanor.

(3) In addition to the authority granted under subsection (2), the governing body of a municipality may remove from office any municipal board member who is convicted of a federal felony or misdemeanor or state felony or misdemeanor. For the purposes of this subsection, any person who pleads guilty or nolo contendere or who is found guilty shall be deemed to have been convicted, notwithstanding a suspension of sentence or a withholding of adjudication.

(4) A suspended municipal board member may, at any time before his or her removal, be reinstated by the governing body of the municipality in its discretion.

(5) The suspension of a municipal board member by the governing body of a municipality creates a temporary vacancy in such office during the suspension. Any temporary vacancy in office created by the suspension of a municipal board member under the provisions of this section shall be filled by a temporary appointment to such office for the period of the suspension, not to extend beyond the term of the suspended municipal board member. Such temporary appointment shall be made in the same manner and by the same authority as provided by law for the filling of a permanent vacancy in such office. If no provision for filling a permanent vacancy in such office is provided by law, special act, or municipal charter, the temporary appointment shall be made by the governing body of the municipality.

(6) No municipal board member who has been suspended from office under this section may perform any official act, duty, or function during his or her suspension; receive any pay or allowance during his or her suspension; or be entitled to any of the emoluments or privileges of his or her office during suspension.

(7) If the municipal board member is acquitted or found not guilty or is otherwise cleared of the charges which were the basis of the arrest, indictment, or information by reason of which he or she was suspended under the provisions of this section, the governing body of the municipality shall forthwith revoke the suspension and restore such municipal board member to office; and the member shall be entitled to and be paid full back pay and other emoluments or allowances to which he or she would have been entitled for the full period of time of the suspension. If, during the suspension, the term of office of the municipal board member expires and a successor is either appointed or confirmed, such back pay, emoluments, or allowances shall only be paid for the duration of the term of office during which the municipal board member was suspended under the provisions of this section, and he or she shall not be reinstated.

(8) This section applies in the absence of a charter provision.

**History.**—s. 1, ch. 84-245; s. 718, ch. 95-147.

**112.51 Municipal officers; suspension; removal from office.—**

(1) By executive order stating the grounds for the suspension and filed with the Secretary of State, the Governor may suspend from office any elected or appointed municipal official for malfeasance, misfeasance, neglect of duty, habitual drunkenness, incompetence, or permanent inability to perform official duties.

(2) Whenever any elected or appointed municipal official is arrested for a felony or for a misdemeanor related to the duties of office or is indicted or informed against for the commission of a

federal felony or misdemeanor or state felony or misdemeanor, the Governor has the power to suspend such municipal official from office.

(3) The suspension of such official by the Governor creates a temporary vacancy in such office during the suspension. Any temporary vacancy in office created by suspension of an official under the provisions of this section shall be filled by a temporary appointment to such office for the period of the suspension. Such temporary appointment shall be made in the same manner and by the same authority by which a permanent vacancy in such office is filled as provided by law. If no provision for filling a permanent vacancy in such office is provided by law, the temporary appointment shall be made by the Governor.

(4) No municipal official who has been suspended from office under this section may perform any official act, duty, or function during his or her suspension; receive any pay or allowance during his or her suspension; or be entitled to any of the emoluments or privileges of his or her office during suspension.

(5) If the municipal official is convicted of any of the charges contained in the indictment or information by reason of which he or she was suspended under the provisions of this section, the Governor shall remove such municipal official from office. If a person was selected to fill the temporary vacancy pursuant to subsection (3), that person shall serve the remaining balance, if any, of the removed official's term of office. Otherwise, any vacancy created by the removal shall be filled as provided by law. For the purposes of this section, any person who pleads guilty or nolo contendere or who is found guilty shall be deemed to have been convicted, notwithstanding a suspension of sentence or a withholding of adjudication.

(6) If the municipal official is acquitted or found not guilty or is otherwise cleared of the charges which were the basis of the arrest, indictment, or information by reason of which he or she was suspended under the provisions of this section, then the Governor shall forthwith revoke the suspension and restore such municipal official to office; and the official shall be entitled to and be paid full back pay and such other emoluments or allowances to which he or she would have been entitled for the full period of time of the suspension. If, during the suspension, the term of office of the municipal official expires and a successor is either appointed or elected, such back pay, emoluments, or allowances shall only be paid for the duration of the term of office during which the municipal official was suspended under the provisions of this section, and he or she shall not be reinstated.

**History.**—s. 1, ch. 67-66; s. 1, ch. 69-256; s. 3, ch. 73-129; s. 2, ch. 84-245; s. 16, ch. 87-224; s. 719, ch. 95-147; s. 50, ch. 2007-30.

**Note.**—Former s. 166.16.

**112.511 Members of special district governing bodies; suspension; removal from office.—**

(1) A member of the governing body of a special district, as defined in s. 189.012, who exercises the powers and duties of a state or a county officer, is subject to the Governor's power under s. 7(a), Art. IV of the State Constitution to suspend such officers.

(2) A member of the governing body of a special district, as defined in s. 189.012, who exercises powers and duties other than that of a state or county officer, is subject to the suspension and removal procedures under s. 112.51.

**History.**—s. 4, ch. 2014-22.

**112.52 Removal of a public official when a method is not otherwise provided.—**

(1) When a method for removal from office is not otherwise provided by the State Constitution or by law, the Governor may by executive order suspend from office an elected or appointed public official, by whatever title known, who is indicted or informed against for commission of any felony, or for any misdemeanor arising directly out of his or her official conduct or duties, and may fill the office by appointment for the period of suspension, not to extend beyond the term.

(2) During the period of the suspension, the public official shall not perform any official act, duty, or function or receive any pay, allowance, emolument, or privilege of office.

(3) If convicted, the public official may be removed from office by executive order of the Governor. For the purpose of this section, any person who pleads guilty or nolo contendere or who is found guilty shall be deemed to have been convicted, notwithstanding the suspension of sentence or the withholding of adjudication.

(4) If the public official is acquitted or found not guilty, or the charges are otherwise dismissed, the Governor shall by executive order revoke the suspension; and the public official shall be entitled to

full back pay and such other emoluments or allowances to which he or she would have been entitled had he or she not been suspended.

**History.**—s. 1, ch. 80-333; s. 720, ch. 95-147.

## PART VI LAW ENFORCEMENT AND CORRECTIONAL OFFICERS

112.531 Definitions.

112.532 Law enforcement officers' and correctional officers' rights.

112.533 Receipt and processing of complaints.

112.534 Failure to comply; official misconduct.

112.535 Construction.

112.536 Requirements for maintaining a Brady identification system.

**112.531 Definitions.**—As used in this part, the term:

(1) "Brady identification system" means a list or identification, in whatever form, of the name or names of law enforcement officers or correctional officers about whom a prosecuting agency is in possession of impeachment evidence as defined by court decision, statute, or rule.

(2) "Correctional officer" means any person, other than a warden, who is appointed or employed full time or part time by the state or any political subdivision thereof whose primary responsibility is the supervision, protection, care, custody, or control of inmates within a correctional institution; and includes correctional probation officers, as defined in s. 943.10(3). However, the term "correctional officer" does not include any secretarial, clerical, or professionally trained personnel.

(3) "Law enforcement officer" means any person, other than a chief of police, who is employed full time or part time by any municipality or the state or any political subdivision thereof and whose primary responsibility is the prevention and detection of crime or the enforcement of the penal, traffic, or highway laws of this state; and includes any person who is appointed by the sheriff as a deputy sheriff under s. 30.07.

(4) "Prosecuting agency" means the Attorney General or an assistant attorney general, the statewide prosecutor or an assistant statewide prosecutor, a state attorney or an assistant state attorney, a city or county attorney, a special prosecutor, or any other person or entity charged with the prosecution of a criminal case.

**History.**—s. 1, ch. 74-274; s. 1, ch. 75-41; s. 34, ch. 77-104; s. 1, ch. 82-156; s. 1, ch. 89-223; s. 1, ch. 93-19; s. 3, ch. 2000-161; s. 2, ch. 2020-104; s. 1, ch. 2023-230.

**112.532 Law enforcement officers' and correctional officers' rights.**—All law enforcement officers and correctional officers employed by or appointed to a law enforcement agency or a correctional agency shall have the following rights and privileges:

(1) **RIGHTS OF LAW ENFORCEMENT OFFICERS AND CORRECTIONAL OFFICERS WHILE UNDER INVESTIGATION.**—Whenever a law enforcement officer or correctional officer is under investigation and subject to interrogation by members of his or her agency for any reason that could lead to disciplinary action, suspension, demotion, or dismissal, the interrogation must be conducted under the following conditions:

(a) The interrogation shall be conducted at a reasonable hour, preferably at a time when the law enforcement officer or correctional officer is on duty, unless the seriousness of the investigation is of such a degree that immediate action is required.

(b) The interrogation shall take place either at the office of the command of the investigating officer or at the office of the local precinct, police unit, or correctional unit in which the incident allegedly occurred, as designated by the investigating officer or agency.

(c) The law enforcement officer or correctional officer under investigation shall be informed of the rank, name, and command of the officer in charge of the investigation, the interrogating officer, and all persons present during the interrogation. All questions directed to the officer under interrogation shall be asked by or through one interrogator during any one investigative interrogation, unless specifically waived by the officer under investigation.

(d) The law enforcement officer or correctional officer under investigation must be informed of the nature of the investigation before any interrogation begins, and he or she must be informed of the names of all complainants. All identifiable witnesses shall be interviewed, whenever possible, prior to the beginning of the investigative interview of the accused officer. The complaint, all witness statements, including all other existing subject officer statements, and all other existing evidence,

including, but not limited to, incident reports, GPS locator information, and audio or video recordings relating to the incident under investigation, must be provided to each officer who is the subject of the complaint before the beginning of any investigative interview of that officer. An officer, after being informed of the right to review witness statements, may voluntarily waive the provisions of this paragraph and provide a voluntary statement at any time.

(e) Interrogating sessions shall be for reasonable periods and shall be timed to allow for such personal necessities and rest periods as are reasonably necessary.

(f) The law enforcement officer or correctional officer under interrogation may not be subjected to offensive language or be threatened with transfer, dismissal, or disciplinary action. A promise or reward may not be made as an inducement to answer any questions.

(g) The formal interrogation of a law enforcement officer or correctional officer, including all recess periods, must be recorded on audio tape, or otherwise preserved in such a manner as to allow a transcript to be prepared, and there shall be no unrecorded questions or statements. Upon the request of the interrogated officer, a copy of any recording of the interrogation session must be made available to the interrogated officer no later than 72 hours, excluding holidays and weekends, following said interrogation.

(h) If the law enforcement officer or correctional officer under interrogation is under arrest, or is likely to be placed under arrest as a result of the interrogation, he or she shall be completely informed of all his or her rights before commencing the interrogation.

(i) At the request of any law enforcement officer or correctional officer under investigation, he or she has the right to be represented by counsel or any other representative of his or her choice, who shall be present at all times during the interrogation whenever the interrogation relates to the officer's continued fitness for law enforcement or correctional service.

(j) Notwithstanding the rights and privileges provided by this part, this part does not limit the right of an agency to discipline or to pursue criminal charges against an officer.

(2) COMPLAINT REVIEW BOARDS.—A complaint review board shall be composed of three members: One member selected by the chief administrator of the agency or unit; one member selected by the aggrieved officer; and a third member to be selected by the other two members. Agencies or units having more than 100 law enforcement officers or correctional officers shall utilize a five-member board, with two members being selected by the administrator, two members being selected by the aggrieved officer, and the fifth member being selected by the other four members. The board members shall be law enforcement officers or correctional officers selected from any state, county, or municipal agency within the county. There shall be a board for law enforcement officers and a board for correctional officers whose members shall be from the same discipline as the aggrieved officer. The provisions of this subsection shall not apply to sheriffs or deputy sheriffs.

(3) CIVIL SUITS BROUGHT BY LAW ENFORCEMENT OFFICERS OR CORRECTIONAL OFFICERS.—Every law enforcement officer or correctional officer shall have the right to bring civil suit against any person, group of persons, or organization or corporation, or the head of such organization or corporation, for damages, either pecuniary or otherwise, suffered during the performance of the officer's official duties, for abridgment of the officer's civil rights arising out of the officer's performance of official duties, or for filing a complaint against the officer which the person knew was false when it was filed. This section does not establish a separate civil action against the officer's employing law enforcement agency for the investigation and processing of a complaint filed under this part.

(4) NOTICE OF DISCIPLINARY ACTION; COPY OF AND OPPORTUNITY TO ADDRESS CONTENTS OF INVESTIGATIVE FILE; CONFIDENTIALITY.—

(a) A dismissal, demotion, transfer, reassignment, or other personnel action that might result in loss of pay or benefits or that might otherwise be considered a punitive measure may not be taken against any law enforcement officer or correctional officer unless the law enforcement officer or correctional officer is notified of the action and the reason or reasons for the action before the effective date of the action.

(b) Notwithstanding s. 112.533(2), whenever a law enforcement officer or correctional officer is subject to disciplinary action consisting of suspension with loss of pay, demotion, or dismissal, the officer or the officer's representative shall, upon request, be provided with a complete copy of the investigative file, including the final investigative report and all evidence, and with the opportunity to



address the findings in the report with the employing law enforcement agency before imposing disciplinary action consisting of suspension with loss of pay, demotion, or dismissal. The contents of the complaint and investigation shall remain confidential until such time as the employing law enforcement agency makes a final determination whether or not to issue a notice of disciplinary action consisting of suspension with loss of pay, demotion, or dismissal. This paragraph does not provide law enforcement officers with a property interest or expectancy of continued employment, employment, or appointment as a law enforcement officer.

(5) RETALIATION FOR EXERCISING RIGHTS.—No law enforcement officer or correctional officer shall be discharged; disciplined; demoted; denied promotion, transfer, or reassignment; or otherwise discriminated against in regard to his or her employment or appointment, or be threatened with any such treatment, by reason of his or her exercise of the rights granted by this part.

(6) LIMITATIONS PERIOD FOR DISCIPLINARY ACTIONS.—

(a) Except as provided in this subsection, disciplinary action, suspension, demotion, or dismissal may not be undertaken by an agency against a law enforcement officer or correctional officer for any act, omission, or other allegation or complaint of misconduct, regardless of the origin of the allegation or complaint, if the investigation of the allegation or complaint is not completed within 180 days after the date the agency receives notice of the allegation or complaint by a person authorized by the agency to initiate an investigation of the misconduct. If the agency determines that disciplinary action is appropriate, it shall complete its investigation and give notice in writing to the law enforcement officer or correctional officer of its intent to proceed with disciplinary action, along with a proposal of the specific action sought, including length of suspension, if applicable. Notice to the officer must be provided within 180 days after the date the agency received notice of the alleged misconduct, regardless of the origin of the allegation or complaint, except as follows:

1. The running of the limitations period may be tolled for a period specified in a written waiver of the limitation by the law enforcement officer or correctional officer.

2. The running of the limitations period is tolled during the time that any criminal investigation or prosecution is pending in connection with the act, omission, or other allegation of misconduct.

3. If the investigation involves an officer who is incapacitated or otherwise unavailable, the running of the limitations period is tolled during the period of incapacitation or unavailability.

4. In a multijurisdictional investigation, the limitations period may be extended for a period of time reasonably necessary to facilitate the coordination of the agencies involved.

5. The running of the limitations period may be tolled for emergencies or natural disasters during the time period wherein the Governor has declared a state of emergency within the jurisdictional boundaries of the concerned agency.

6. The running of the limitations period is tolled during the time that the officer's compliance hearing proceeding is continuing beginning with the filing of the notice of violation and a request for a hearing and ending with the written determination of the compliance review panel or upon the violation being remedied by the agency.

(b) An investigation against a law enforcement officer or correctional officer may be reopened, notwithstanding the limitations period for commencing disciplinary action, demotion, or dismissal, if:

1. Significant new evidence has been discovered that is likely to affect the outcome of the investigation.

2. The evidence could not have reasonably been discovered in the normal course of investigation or the evidence resulted from the predisciplinary response of the officer.

Any disciplinary action resulting from an investigation that is reopened pursuant to this paragraph must be completed within 90 days after the date the investigation is reopened.

(7) RIGHTS OF LAW ENFORCEMENT OFFICERS AND CORRECTIONAL OFFICERS RELATING TO A BRADY IDENTIFICATION SYSTEM.—

(a) A law enforcement officer or correctional officer has all of the rights specified in s. 112.536 relating to the inclusion of the name and information of the officer in a Brady identification system.

(b) A law enforcement officer or correctional officer may not be discharged, suspended, demoted, or otherwise disciplined, or threatened with discharge, suspension, demotion, or other discipline, by his or her employing agency solely as a result of a prosecuting agency determining that the officer's name and information should be included in a Brady identification system. This paragraph does not prohibit an officer's employing agency from discharging, suspending, demoting, or taking other

disciplinary action against a law enforcement officer or correctional officer based on the underlying actions of the officer which resulted in his or her name being included in a Brady identification system. If a collective bargaining agreement applies, the actions taken by the officer's employing agency must conform to the rules and procedures adopted by the collective bargaining agreement.

**History.**—s. 2, ch. 74-274; s. 2, ch. 82-156; s. 2, ch. 93-19; s. 721, ch. 95-147; s. 1, ch. 98-249; s. 1, ch. 2000-184; s. 1, ch. 2003-149; s. 3, ch. 2005-100; s. 1, ch. 2007-110; s. 1, ch. 2009-200; s. 3, ch. 2020-104; s. 2, ch. 2023-230.

**112.533 Receipt and processing of complaints.—**

(1)(a) Every law enforcement agency and correctional agency shall establish and put into operation a system for the receipt, investigation, and determination of complaints received by such agency from any person, which shall be the procedure for investigating a complaint against a law enforcement and correctional officer and for determining whether to proceed with disciplinary action or to file disciplinary charges, notwithstanding any other law or ordinance to the contrary. When law enforcement or correctional agency personnel assigned the responsibility of investigating the complaint prepare an investigative report or summary, regardless of form, the person preparing the report shall, at the time the report is completed:

1. Verify pursuant to s. 92.525 that the contents of the report are true and accurate based upon the person's personal knowledge, information, and belief.

2. Include the following statement, sworn and subscribed to pursuant to s. 92.525:

"I, the undersigned, do hereby swear, under penalty of perjury, that, to the best of my personal knowledge, information, and belief, I have not knowingly or willfully deprived, or allowed another to deprive, the subject of the investigation of any of the rights contained in ss. 112.532 and 112.533, Florida Statutes."

The requirements of subparagraphs 1. and 2. shall be completed prior to the determination as to whether to proceed with disciplinary action or to file disciplinary charges. This subsection does not preclude the Criminal Justice Standards and Training Commission from exercising its authority under chapter 943.

(b)1. Any political subdivision that initiates or receives a complaint against a law enforcement officer or correctional officer must within 5 business days forward the complaint to the employing agency of the officer who is the subject of the complaint for review or investigation.

2. For purposes of this paragraph, the term "political subdivision" means a separate agency or unit of local government created or established by law or ordinance and the officers thereof and includes, but is not limited to, an authority, board, branch, bureau, city, commission, consolidated government, county, department, district, institution, metropolitan government, municipality, office, officer, public corporation, town, or village.

Notwithstanding the rights and privileges provided under this part or any provisions provided in a collective bargaining agreement, the agency head or the agency head's designee may request a sworn or certified investigator from a separate law enforcement or correctional agency to conduct the investigation when a conflict is identified with having an investigator conduct the investigation of an officer of the same employing agency; the employing agency does not have an investigator trained to conduct such investigations; or the agency's investigator is the subject of, or a witness in, the investigation and such agency is composed of any combination of 35 or fewer law enforcement officers or correctional officers. The employing agency must document the identified conflict. Upon completion of the investigation, the investigator shall present the findings without any disciplinary recommendation to the employing agency.

(2)(a) A complaint filed against a law enforcement officer or correctional officer with a law enforcement agency or correctional agency and all information obtained pursuant to the investigation by the agency of the complaint is confidential and exempt from the provisions of s. 119.07(1) until the investigation ceases to be active, or until the agency head or the agency head's designee provides written notice to the officer who is the subject of the complaint, either personally or by mail, that the agency has either:

1. Concluded the investigation with a finding not to proceed with disciplinary action or to file charges; or

2. Concluded the investigation with a finding to proceed with disciplinary action or to file charges. Notwithstanding the foregoing provisions, the officer who is the subject of the complaint, along with legal counsel or any other representative of his or her choice, may review the complaint and all statements regardless of form made by the complainant and witnesses and all existing evidence, including, but not limited to, incident reports, analyses, GPS locator information, and audio or video



recordings relating to the investigation, immediately before beginning the investigative interview. All statements, regardless of form, provided by a law enforcement officer or correctional officer during the course of a complaint investigation of that officer shall be made under oath pursuant to s. 92.525. Knowingly false statements given by a law enforcement officer or correctional officer under investigation may subject the law enforcement officer or correctional officer to prosecution for perjury. If a witness to a complaint is incarcerated in a correctional facility and may be under the supervision of, or have contact with, the officer under investigation, only the names and written statements of the complainant and nonincarcerated witnesses may be reviewed by the officer under investigation immediately prior to the beginning of the investigative interview.

(b) This subsection does not apply to any public record which is exempt from public disclosure pursuant to chapter 119. For the purposes of this subsection, an investigation shall be considered active as long as it is continuing with a reasonable, good faith anticipation that an administrative finding will be made in the foreseeable future. An investigation shall be presumed to be inactive if no finding is made within 45 days after the complaint is filed.

(c) Notwithstanding other provisions of this section, the complaint and information shall be available to law enforcement agencies, correctional agencies, and state attorneys in the conduct of a lawful criminal investigation.

(3) A law enforcement officer or correctional officer has the right to review his or her official personnel file at any reasonable time under the supervision of the designated records custodian. A law enforcement officer or correctional officer may attach to the file a concise statement in response to any items included in the file identified by the officer as derogatory, and copies of such items must be made available to the officer.

(4) Any person who is a participant in an internal investigation, including the complainant, the subject of the investigation and the subject's legal counsel or a representative of his or her choice, the investigator conducting the investigation, and any witnesses in the investigation, who willfully discloses any information obtained pursuant to the agency's investigation, including, but not limited to, the identity of the officer under investigation, the nature of the questions asked, information revealed, or documents furnished in connection with a confidential internal investigation of an agency, before such complaint, document, action, or proceeding becomes a public record as provided in this section commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083. However, this subsection does not limit a law enforcement or correctional officer's ability to gain access to information under paragraph (2)(a). Additionally, a sheriff, police chief, or other head of a law enforcement agency, or his or her designee, is not precluded by this section from acknowledging the existence of a complaint and the fact that an investigation is underway.

**History.**—s. 3, ch. 74-274; s. 3, ch. 82-156; s. 1, ch. 82-405; s. 1, ch. 83-136; s. 1, ch. 87-59; s. 2, ch. 89-223; s. 1, ch. 90-32; s. 31, ch. 90-360; s. 3, ch. 93-19; s. 722, ch. 95-147; s. 39, ch. 96-406; s. 2, ch. 98-249; s. 2, ch. 2000-184; s. 2, ch. 2003-149; s. 33, ch. 2004-335; s. 42, ch. 2005-251; s. 2, ch. 2007-110; s. 1, ch. 2007-118; s. 2, ch. 2009-200; s. 4, ch. 2020-104.

#### **112.534 Failure to comply; official misconduct.—**

(1) If any law enforcement agency or correctional agency, including investigators in its internal affairs or professional standards division, or an assigned investigating supervisor, intentionally fails to comply with the requirements of this part, the following procedures apply. For purposes of this section, the term “law enforcement officer” or “correctional officer” includes the officer's representative or legal counsel, except in application of paragraph (d).

(a) The law enforcement officer or correctional officer shall advise the investigator of the intentional violation of the requirements of this part which is alleged to have occurred. The officer's notice of violation is sufficient to notify the investigator of the requirements of this part which are alleged to have been violated and the factual basis of each violation.

(b) If the investigator fails to cure the violation or continues the violation after being notified by the law enforcement officer or correctional officer, the officer shall request the agency head or his or her designee be informed of the alleged intentional violation. Once this request is made, the interview of the officer shall cease, and the officer's refusal to respond to further investigative questions does not constitute insubordination or any similar type of policy violation.

(c) Thereafter, within 3 working days, a written notice of violation and request for a compliance review hearing shall be filed with the agency head or designee which must contain sufficient information to identify the requirements of this part which are alleged to have been violated and the

factual basis of each violation. All evidence related to the investigation must be preserved for review and presentation at the compliance review hearing. For purposes of confidentiality, the compliance review panel hearing shall be considered part of the original investigation.

(d) Unless otherwise remedied by the agency before the hearing, a compliance review hearing must be conducted within 10 working days after the request for a compliance review hearing is filed, unless, by mutual agreement of the officer and agency or for extraordinary reasons, an alternate date is chosen. The panel shall review the circumstances and facts surrounding the alleged intentional violation. The compliance review panel shall be made up of three members: one member selected by the agency head, one member selected by the officer filing the request, and a third member to be selected by the other two members. The review panel members shall be law enforcement officers or correctional officers who are active from the same law enforcement discipline as the officer requesting the hearing. Panel members may be selected from any state, county, or municipal agency within the county in which the officer works. The compliance review hearing shall be conducted in the county in which the officer works.

(e) It is the responsibility of the compliance review panel to determine whether or not the investigator or agency intentionally violated the requirements provided under this part. It may hear evidence, review relevant documents, and hear argument before making such a determination; however, all evidence received shall be strictly limited to the allegation under consideration and may not be related to the disciplinary charges pending against the officer. The investigative materials are considered confidential for purposes of the compliance review hearing and determination.

(f) The officer bears the burden of proof to establish that the violation of this part was intentional. The standard of proof for such a determination is by a preponderance of the evidence. The determination of the panel must be made at the conclusion of the hearing, in writing, and filed with the agency head and the officer.

(g) If the alleged violation is sustained as intentional by the compliance review panel, the agency head shall immediately remove the investigator from any further involvement with the investigation of the officer. Additionally, the agency head shall direct an investigation be initiated against the investigator determined to have intentionally violated the requirements provided under this part for purposes of agency disciplinary action. If that investigation is sustained, the sustained allegations against the investigator shall be forwarded to the Criminal Justice Standards and Training Commission for review as an act of official misconduct or misuse of position.

(2)(a) All the provisions of s. 838.022 shall apply to this part.

(b) The provisions of chapter 120 do not apply to this part.

**History.**—s. 4, ch. 74-274; s. 35, ch. 77-104; s. 1, ch. 78-291; s. 4, ch. 82-156; s. 4, ch. 93-19; s. 3, ch. 2000-184; s. 8, ch. 2003-158; s. 3, ch. 2009-200; s. 5, ch. 2011-4; s. 6, ch. 2016-151.

**112.535 Construction.**—The provisions of chapter 93-19, Laws of Florida, shall not be construed to restrict or otherwise limit the discretion of the sheriff to take any disciplinary action, without limitation, against a deputy sheriff, including the demotion, reprimand, suspension, or dismissal thereof, nor to limit the right of the sheriff to appoint deputy sheriffs or to withdraw their appointment as provided in chapter 30. Neither shall the provisions of chapter 93-19, Laws of Florida, be construed to grant collective bargaining rights to deputy sheriffs or to provide them with a property interest or continued expectancy in their appointment as a deputy sheriff.

**History.**—s. 6, ch. 93-19.

**112.536 Requirements for maintaining a Brady identification system.**—

(1)(a) A prosecuting agency is not required to maintain a Brady identification system and may determine, in its discretion, that its obligations under the decision in *Brady v. Maryland*, 373 U.S. 83 (1963), are better fulfilled through any such procedure the prosecuting agency otherwise chooses to utilize.

(b) The employing agency of a law enforcement officer or correctional officer shall forward all sustained and finalized internal affairs complaints relevant to s. 90.608, s. 90.609, or s. 90.610 to the prosecuting agency in the circuit in which the employing agency is located to assist the prosecuting agency in complying with its obligations under the *Brady* decision. The employing agency of a law enforcement officer or correctional officer must notify the law enforcement officer or correctional officer of any sustained and finalized internal affairs complaints that are sent to a prosecuting agency as required under this section. If the law enforcement officer or correctional officer is no longer

employed by the employing agency, the employing agency must mail through United States mail such notification to the officer's last known address on file with the employing agency.

(2) A prosecuting agency that maintains a Brady identification system must adopt written policies that, at a minimum, require all of the following:

(a) The right of a law enforcement officer or correctional officer to receive written notice by United States mail or e-mail, which must be sent to the officer's current or last known employing agency before or contemporaneously with the prosecuting agency including the name and information of the officer in the Brady identification system, unless a pending criminal case requires immediate disclosure or providing such notice to the officer would jeopardize a pending investigation.

(b) The right of a law enforcement officer or correctional officer to request reconsideration of the prosecuting agency's decision to include the name and information of the officer in a Brady identification system and his or her right to submit documents and evidence in support of the request for reconsideration.

(3) If, after a request for reconsideration is made under paragraph (2)(b), the prosecuting agency subsequently determines that the law enforcement officer or correctional officer should not be included in a Brady identification system, the prosecuting agency must do all of the following:

(a) Remove such officer from the Brady identification system.

(b) Send written notice by United States mail or e-mail to the law enforcement officer or correctional officer at the officer's current or last known employing agency confirming that the officer's name has been removed from the Brady identification system.

(c) If the name of a law enforcement officer or correctional officer was previously included in a Brady identification system and his or her name was disclosed in a pending criminal case, notify all parties to the pending criminal case of the officer's removal from the Brady identification system.

(4) If a prosecuting agency fails to comply with this section, a law enforcement officer or correctional officer may petition a court for a writ of mandamus to compel the prosecuting agency to comply with the requirements of this section. The court's scope of review in such matter is limited to whether the prosecuting agency acted in accordance with the procedural requirements of this section and may not include a judicial review of the evidence or merits that were the basis for the inclusion of the officer's name in a Brady identification system. This section does not preclude a law enforcement officer or correctional officer from pursuing any other available administrative or judicial remedies.

(5) This section does not:

(a) Require a prosecuting agency to give notice to or provide an opportunity for review and input from a law enforcement officer or correctional officer if the information in a Brady identification system is:

1. A criminal conviction that may be used for impeachment under s. 90.610; or

2. A sustained and finalized internal affairs complaint that may be used for impeachment under s. 90.608, s. 90.609, or s. 90.610;

(b) Limit the duty of a prosecuting agency to produce *Brady* evidence in all cases as required by the United States Constitution, the State Constitution, and the Florida Rules of Criminal Procedure and relevant case law;

(c) Limit or restrict a prosecuting agency's ability to remove the name and information of a law enforcement officer or correctional officer from a Brady identification system if, at any time, the prosecuting agency determines that the name and information of the officer are no longer proper for identification; or

(d) Create a private cause of action against a prosecuting agency or any employee of a prosecuting agency, other than the writ of mandamus authorized in subsection (4).

**History.**—s. 3, ch. 2023-230.

## **PART VII ACTUARIAL SOUNDNESS OF RETIREMENT SYSTEMS**

112.60 Short title.

112.61 Legislative intent.

112.62 Application.

112.625 Definitions.

112.63 Actuarial reports and statements of actuarial impact; review.

- 112.64 Administration of funds; amortization of unfunded liability.
- 112.65 Limitation of benefits.
- 112.656 Fiduciary duties; certain officials included as fiduciaries.
- 112.658 Office of Program Policy Analysis and Government Accountability to determine compliance of the Florida Retirement System.
- 112.66 General provisions.
- 112.661 Investment policies.
- 112.662 Investments; exercising shareholder rights.
- 112.664 Reporting standards for defined benefit retirement plans or systems.
- 112.665 Duties of Department of Management Services.
- 112.67 Special acts prohibited.

**112.60 Short title.**—This part may be cited as the “Florida Protection of Public Employee Retirement Benefits Act.”

**History.**—s. 1, ch. 78-170.

**112.61 Legislative intent.**—It is the intent of the Legislature in implementing the provisions of s. 14, Art. X of the State Constitution, relating to governmental retirement systems, that such retirement systems or plans be managed, administered, operated, and funded in such a manner as to maximize the protection of public employee retirement benefits. Inherent in this intent is the recognition that the pension liabilities attributable to the benefits promised public employees be fairly, orderly, and equitably funded by the current, as well as future, taxpayers. Accordingly, except as herein provided, it is the intent of this act to prohibit the use of any procedure, methodology, or assumptions the effect of which is to transfer to future taxpayers any portion of the costs which may reasonably have been expected to be paid by the current taxpayers. Actuarial experience may be used to fund additional benefits, provided that the present value of such benefits does not exceed the net actuarial experience accumulated from all sources of gains and losses. This act hereby establishes minimum standards for the operation and funding of public employee retirement systems and plans.

**History.**—s. 1, ch. 78-170; s. 13, ch. 79-183; s. 1, ch. 83-37; s. 3, ch. 94-259.

**112.62 Application.**—The provisions of this part are applicable to any and all units, agencies, branches, departments, boards, and institutions of state, county, special district, and municipal governments which participate in, operate, or administer a retirement system or plan for public employees, funded in whole or in part by public funds. The provisions of this part supplement and, to the extent there are conflicts, prevail over the provisions of existing laws and local ordinances relating to such retirement systems or plans.

**History.**—s. 1, ch. 78-170.

**112.625 Definitions.**—As used in this act:

(1) “Benefit increase” means a change or amendment in the plan design or benefit structure which results in increased benefits for plan members or beneficiaries.

(2) “Enrolled actuary” means an actuary who is enrolled under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974 and who is a member of the Society of Actuaries or the American Academy of Actuaries.

(3) “Governmental entity” means the state, for the Florida Retirement System, and the county, municipality, special district, or district school board which is the employer of the member of a local retirement system or plan.

(4) “Named fiduciary,” “board,” or “board of trustees” means the person or persons so designated by the terms of the instrument or instruments, ordinance, or statute under which the plan is operated.

(5) “Pension or retirement benefit” means any benefit, including a disability benefit, paid to a member or beneficiary of a retirement system or plan as defined in subsection (8).

(6) “Plan administrator” means the person so designated by the terms of the instrument or instruments, ordinance, or statute under which the plan is operated. If no plan administrator has been designated, the plan sponsor shall be considered the plan administrator.

(7) “Plan sponsor” means the local governmental entity that has established or that may establish a local retirement system or plan.

(8) “Retirement system or plan” means any employee pension benefit plan supported in whole or in part by public funds, provided such plan is not:

(a) An employee benefit plan described in s. 4(a) of the Employee Retirement Income Security Act of 1974, which is not exempt under s. 4(b)(1) of such act;

- (b) A plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees;
- (c) A coverage agreement entered into pursuant to s. 218 of the Social Security Act;
- (d) An individual retirement account or an individual retirement annuity within the meaning of s. 408, or a retirement bond within the meaning of s. 409, of the Internal Revenue Code of 1954;
- (e) A plan described in s. 401(d) of the Internal Revenue Code of 1954; or
- (f) An individual account consisting of an annuity contract described in s. 403(b) of the Internal Revenue Code of 1954.

(9) "Statement value" means the value of assets in accordance with s. 302(c)(2) of the Employee Retirement Income Security Act of 1974 and as permitted under regulations prescribed by the Secretary of the Treasury as amended by Pub. L. No. 100-203, as such sections are in effect on August 16, 2006. Assets for which a fair market value is not provided shall be excluded from the assets used in the determination of annual funding cost.

**History.**—s. 14, ch. 79-183; s. 2, ch. 83-37; s. 1, ch. 2000-264; s. 7, ch. 2004-305; s. 1, ch. 2008-139; s. 41, ch. 2023-8.

**112.63 Actuarial reports and statements of actuarial impact; review.—**

- (1) Each retirement system or plan subject to the provisions of this act shall have regularly scheduled actuarial reports prepared and certified by an enrolled actuary. The actuarial report shall consist of, but is not limited to, the following:
  - (a) Adequacy of employer and employee contribution rates in meeting levels of employee benefits provided in the system and changes, if any, needed in such rates to achieve or preserve a level of funding deemed adequate to enable payment through the indefinite future of the benefit amounts prescribed by the system, which shall include a valuation of present assets, based on statement value, and prospective assets and liabilities of the system and the extent of unfunded accrued liabilities, if any.
  - (b) A plan to amortize any unfunded liability pursuant to s. 112.64 and a description of actions taken to reduce the unfunded liability.
  - (c) A description and explanation of actuarial assumptions.
  - (d) A schedule illustrating the amortization of unfunded liabilities, if any.
  - (e) A comparative review illustrating the actual salary increases granted and the rate of investment return realized over the 3-year period preceding the actuarial report with the assumptions used in both the preceding and current actuarial reports.
  - (f) Effective January 1, 2016, the mortality tables used in either of the two most recently published actuarial valuation reports of the Florida Retirement System, including the projection scale for mortality improvement. Appropriate risk and collar adjustments must be made based on plan demographics. The tables must be used for assumptions for preretirement and postretirement mortality.
  - (g) A statement by the enrolled actuary that the report is complete and accurate and that in his or her opinion the techniques and assumptions used are reasonable and meet the requirements and intent of this act.

The actuarial cost methods utilized for establishing the amount of the annual actuarial normal cost to support the promised benefits shall only be those methods approved in the Employee Retirement Income Security Act of 1974 and as permitted under regulations prescribed by the Secretary of the Treasury.

(2) The frequency of actuarial reports must be at least every 3 years commencing from the last actuarial report of the plan or system. The results of each actuarial report shall be filed with the plan administrator within 60 days of certification. Thereafter, the results of each actuarial report shall be made available for inspection upon request. Additionally, each retirement system or plan covered by this act which is not administered directly by the Department of Management Services shall furnish a copy of each actuarial report to the Department of Management Services within 60 days after receipt from the actuary. The requirements of this section are supplemental to actuarial valuations necessary to comply with the requirements of s. 218.39.

(3) No unit of local government shall agree to a proposed change in retirement benefits unless the administrator of the system, prior to adoption of the change by the governing body, and prior to the last public hearing thereon, has issued a statement of the actuarial impact of the proposed change upon the local retirement system, consistent with the actuarial review, and has furnished a copy of



such statement to the division. Such statement shall also indicate whether the proposed changes are in compliance with s. 14, Art. X of the State Constitution and with s. 112.64.

(4) Upon receipt, pursuant to subsection (2), of an actuarial report, or, pursuant to subsection (3), of a statement of actuarial impact, the Department of Management Services shall acknowledge such receipt, but shall only review and comment on each retirement system's or plan's actuarial valuations at least on a triennial basis.

(a) If the department finds that the actuarial valuation is not complete, accurate, or based on reasonable assumptions or otherwise materially fails to satisfy the requirements of this part; requires additional material information necessary to complete its review of the actuarial valuation of a system or plan or material information necessary to satisfy the duties of the department pursuant to s. 112.665(1); or does not receive the actuarial report or statement of actuarial impact, the department shall notify the administrator of the affected retirement system or plan and the affected governmental entity and request appropriate adjustment, the additional material information, or the required report or statement. The notification must inform the administrator and the affected governmental entity of the consequences for failing to comply with the requirements of this subsection.

(b) If, after a reasonable period of time, a satisfactory adjustment is not made or the report, statement, or additional material information is not provided, the department may notify the Department of Revenue and the Department of Financial Services of the noncompliance, and the Department of Revenue and the Department of Financial Services shall withhold any funds not pledged for satisfaction of bond debt service which are payable to the affected governmental entity until the adjustment is made or the report, statement, or additional material information is provided to the department. The Department of Management Services shall specify the date such action is to begin and notify the Department of Revenue, the Department of Financial Services, and the affected governmental entity 30 days before the specified date.

(c) Within 21 days after receipt of the notice, the affected governmental entity may petition the Department of Management Services for a hearing under ss. 120.569 and 120.57. The Department of Revenue and the Department of Financial Services may not be parties to the hearing, but may request to intervene if requested by the Department of Management Services or if the Department of Revenue or the Department of Financial Services determines its interests may be adversely affected by the hearing.

1. If the administrative law judge recommends in favor of the department, the department shall perform an actuarial review, prepare the statement of actuarial impact, or collect the requested material information. The cost to the department of performing the actuarial review, preparing the statement, or collecting the requested material information shall be charged to the affected governmental entity whose employees are covered by the retirement system or plan. If payment is not received by the department within 60 days after the affected governmental entity receives the request for payment, the department shall certify to the Department of Revenue and the Department of Financial Services the amount due, and the Department of Revenue and the Department of Financial Services shall pay such amount to the Department of Management Services from funds not pledged for satisfaction of bond debt service which are payable to the affected governmental entity.

2. If the administrative law judge recommends in favor of the affected governmental entity and the department performs an actuarial review, prepares the statement of actuarial impact, or collects the requested material information, the cost to the department shall be paid by the Department of Management Services.

(d) In the case of an affected special district, the Department of Management Services shall also notify the Department of Economic Opportunity. Upon receipt of notification, the Department of Economic Opportunity shall proceed pursuant to s. 189.067.

1. Failure of a special district to provide a required report or statement, to make appropriate adjustments, or to provide additional material information after the procedures specified in s. 189.067(1) are exhausted shall be deemed final action by the special district.

2. The Department of Management Services may notify the Department of Economic Opportunity of those special districts that failed to come into compliance. Upon receipt of notification, the Department of Economic Opportunity shall proceed pursuant to s. 189.067(4).

(5) Payments made to the fund as required by this chapter shall be based on the normal and past service costs contained in the most recent actuarial valuation, subject to being state-accepted.

(6) Beginning July 1, 1980, each retirement system or plan of a unit of local government shall maintain, in accurate and accessible form, the following information:

(a) For each active and inactive member of the system, a number or other means of identification; date of birth; sex; date of employment; period of credited service, split, if required, between prior service and current service; and occupational classification.

(b) For each active member, current pay rate, cumulative contributions together with accumulated interest, if credited, age at entry into system, and current rate of contribution.

(c) For each inactive member, average final compensation or equivalent and age at which deferred benefit is to begin.

(d) For each retired member and other beneficiary, a number or other means of identification, date of birth, sex, beginning date of benefit, type of retirement and amount of monthly benefit, and type of survivor benefit.

**History.**—s. 1, ch. 78-170; s. 15, ch. 79-183; s. 3, ch. 83-37; s. 48, ch. 92-279; s. 55, ch. 92-326; s. 23, ch. 94-249; s. 1418, ch. 95-147; s. 2, ch. 96-324; s. 16, ch. 96-410; s. 21, ch. 99-255; s. 1, ch. 99-392; s. 31, ch. 2001-266; s. 132, ch. 2003-261; s. 8, ch. 2004-305; s. 14, ch. 2005-2; s. 45, ch. 2011-142; s. 3, ch. 2011-144; s. 1, ch. 2011-216; s. 12, ch. 2013-15; s. 1, ch. 2013-100; s. 59, ch. 2014-22; s. 1, ch. 2015-157; s. 20, ch. 2020-2.

**112.64 Administration of funds; amortization of unfunded liability.—**

(1) Employee contributions shall be deposited in the retirement system or plan at least monthly. Employer contributions shall be deposited at least quarterly; however, any revenues received from any source by an employer which are specifically collected for the purpose of allocation for deposit into a retirement system or plan shall be so deposited within 30 days of receipt by the employer. All employers and employees participating in the Florida Retirement System and other existing retirement systems which are administered by the Department of Management Services shall continue to make contributions at least monthly.

(2) From and after October 1, 1980, for those plans in existence on October 1, 1980, the total contributions to the retirement system or plan shall be sufficient to meet the normal cost of the retirement system or plan and to amortize the unfunded liability, if any, within 40 years; however, nothing contained in this subsection permits any retirement system or plan to amortize its unfunded liabilities over a period longer than that which remains under its current amortization schedule.

(3) For a retirement system or plan which comes into existence after October 1, 1980, the unfunded liability, if any, shall be amortized within 40 years of the first plan year.

(4) The net increase, if any, in unfunded liability under the plan arising from significant plan amendments adopted, changes in actuarial assumptions, changes in funding methods, or actuarial gains or losses shall be amortized within 30 plan years.

(5)(a) If the amortization schedule for unfunded liability is to be based on a contribution derived in whole or in part from a percentage of the payroll of the system or plan membership, the assumption as to payroll growth shall not exceed the average payroll growth for the 10 years prior to the latest actuarial valuation of the system or plan unless a transfer, merger, or consolidation of government functions or services occurs, in which case the assumptions for payroll growth may be adjusted and may be based on the membership of the retirement plan or system subsequent to such transfer, merger, or consolidation.

(b) An unfunded liability amortization schedule that includes a payroll growth assumption and is in existence on September 30, 1996, or is established thereafter, may be continued using the same payroll growth assumption, or one not exceeding the payroll growth assumption established at the start of the schedule, regardless of the actual 10-year average payroll growth rate, provided that:

1. The assumptions underlying the payroll growth rate are consistent with the actuarial assumptions used to determine unfunded liabilities, including, but not limited to, the inflation assumption; and

2. The payroll growth rate is reasonable and consistent with future expectations of payroll growth.

(c) An unfunded liability amortization schedule that does not include a payroll growth assumption and is in existence on September 30, 1996, or is established thereafter, may be continued or modified to include a payroll growth assumption, provided that such assumption does not exceed the 10-year average payroll growth rate as of the actuarial valuation date such change in the amortization schedule commences. Such schedule may be continued thereafter, subject to the reasonable and consistent requirements in paragraph (b).



(6)(a) Notwithstanding any other provision of this part, the proceeds of a pension liability surtax imposed by a county pursuant to s. 212.055, which is levied for the purpose of funding or amortizing the unfunded liability of a defined benefit retirement plan or system, excluding the Florida Retirement System, shall be actuarially recognized, and the county shall apply the present value of the total projected proceeds of the surtax to reduce the unfunded liability or to amortize it as part of the county's annual required contribution, beginning with the fiscal year immediately following approval of the pension liability surtax. The unfunded liability amortization schedule must be adjusted beginning with the fiscal year immediately following approval of the pension liability surtax and amortized over a period of 30 years.

(b) The payroll of all employees in classifications covered by a closed retirement plan or system that receives funds from the pension liability surtax must be included in determining the unfunded liability amortization schedule for the closed plan, regardless of the plan in which the employees currently participate, and the payroll growth assumption must be adjusted to reflect the payroll of those employees when calculating the amortization of the unfunded liability.

(7) Nothing contained in this section shall result in the allocation of chapter 175 or chapter 185 premium tax funds to any other retirement system or plan or for any other use than the exclusive purpose of providing retirement benefits for firefighters or police officers.

**History.**—s. 1, ch. 78-170; s. 16, ch. 79-183; s. 2, ch. 84-266; s. 2, ch. 96-368; s. 22, ch. 99-255; s. 1, ch. 2016-146.

**112.65 Limitation of benefits.—**

(1) **ESTABLISHMENT OF PROGRAM.**—The normal retirement benefit or pension payable to a retiree who becomes a member of any retirement system or plan and who has not previously participated in such plan, on or after January 1, 1980, may not exceed 100 percent of his or her average final compensation. However, this section does not apply to supplemental retirement benefits or to pension increases attributable to cost-of-living increases or adjustments. For the purposes of this section, benefits accruing in individual member accounts established under the investment plan established in part II of chapter 121 are considered supplemental benefits. As used in this section, the term “average final compensation” means the average of the member's earnings over a period of time which the governmental entity has established by statute, charter, or ordinance.

(2) **RESTRICTION.**—No member of a retirement system or plan covered by this part who is not now a member of such plan shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the member is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement system or plan. This restriction does not apply to social security benefits or federal benefits under chapter 67, Title 10, United States Code.

**History.**—s. 1, ch. 78-170; s. 17, ch. 79-183; s. 4, ch. 88-382; s. 723, ch. 95-147; s. 2, ch. 99-392; s. 1, ch. 2000-169; s. 4, ch. 2011-68.

**112.656 Fiduciary duties; certain officials included as fiduciaries.—**

(1) A fiduciary shall discharge his or her duties with respect to a plan solely in the interest of the participants and beneficiaries for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the plan. Investment decisions must comply with s. 112.662.

(2) Each retirement system or plan shall have one or more named fiduciaries with authority to control and manage the administration and operation of the retirement system or plan. However, the plan administrator, and any officer, trustee, and custodian, and any counsel, accountant, and actuary of the retirement system or plan who is employed on a full-time basis, shall be included as fiduciaries of such system or plan.

(3) A retirement system or plan may purchase insurance for its named fiduciary to cover liability or losses incurred by reason of act or omission of the fiduciary.

**History.**—s. 18, ch. 79-183; s. 724, ch. 95-147; s. 3, ch. 2023-28.

**112.658 Office of Program Policy Analysis and Government Accountability to determine compliance of the Florida Retirement System.—**

(1) The Office of Program Policy Analysis and Government Accountability shall determine, through the examination of actuarial reviews, financial statements, and the practices and procedures of the Department of Management Services, the compliance of the Florida Retirement System with the provisions of this act.

(2) The Office of Program Policy Analysis and Government Accountability shall employ an independent consulting actuary who is an enrolled actuary as defined in this part to assist in the determination of compliance.

(3) The Office of Program Policy Analysis and Government Accountability shall employ the same actuarial standards to monitor the Department of Management Services as the Department of Management Services uses to monitor local governments.

**History.**—s. 18, ch. 79-183; s. 4, ch. 83-37; s. 3, ch. 96-368; s. 23, ch. 99-255.

**112.66 General provisions.**—The following general provisions relating to the operation and administration of any retirement system or plan covered by this part shall be applicable:

(1) The provisions of each retirement system or plan shall be contained in a written summary plan description, to be published on a biennial basis, in a manner calculated to be understood by the average plan participant and sufficiently accurate and comprehensive to apprise participants of their rights and obligations under the plan and which shall include a report of pertinent financial and actuarial information on the solvency and actuarial soundness of the plan. Such summary plan description shall be furnished to a member of the system or plan upon initial employment or participation in such plan and, thereafter, with each new biennial publication by the administrator. The administrator of each plan shall publish the summary plan description not later than 210 days after the end of the plan year in which publication is required. During those years when a complete summary plan description is not published, the administrator of each plan or retirement system shall publish a supplement of changes during the previous year to be furnished to new members of the system upon initial employment or participation in the plan.

(2) The plan description shall contain the following information: the name and type of administration of the plan; the name and address of the person designated as agent for the service of legal process, if such person is not the administrator; the name and address of the administrator; the names, titles, and addresses of any trustee or trustees, if they are persons different from the administrator; a description of the relevant provisions of any applicable collective bargaining agreement; the plan's requirements respecting eligibility for participation and benefits; a description of the provisions providing for nonforfeitable pension benefits; the circumstances which may result in disqualification, ineligibility, or denial or forfeiture of benefits; the source of financing of the plan and the identity of any organization through which benefits are provided; the date of the end of the plan year and whether the records of the plan are kept on a calendar, policy, or fiscal year basis; the procedures to be followed in presenting claims for benefits under the plan and the remedies available under the plan for the redress of claims which are denied in whole or in part; citations to the relevant provisions of state or local law and regulations governing the establishment, operation, and administration of the plan; a description of those provisions which specify the conditions under which pension benefits become vested pension benefits; and a report of pertinent financial and actuarial information on the solvency and actuarial soundness of the plan.

(3) Each retirement system or plan shall provide for a plan administrator.

(4) Any provision in a legal agreement, contract, or instrument which purports to relieve a fiduciary of a retirement system or plan from responsibility or liability is void as being against public policy.

(5) A civil action may be brought by a member or beneficiary of a retirement system or plan to recover benefits due to him or her under the terms of his or her retirement system or plan, to enforce the member's or beneficiary's rights, or to clarify his or her rights to future benefits under the terms of the retirement system or plan.

(6) The governmental entity responsible for the administration and operation of a retirement system or plan may sue or be sued as an entity.

(7) There shall be timely adequate written notice given to any member or beneficiary whose claim for benefits under the terms of his or her retirement system or plan has been denied, setting forth the specific reasons for such denial. Unless otherwise provided by law, the terms of the retirement system or plan shall provide for a full and fair review in those cases when a member or beneficiary has had his or her claim to benefits denied.

(8) The assets and liabilities of a retirement system or plan shall remain under the ultimate control of the governmental unit responsible for the retirement system or plan, unless an irrevocable trust has been or is established for the purpose of managing and controlling the retirement system or plan, in

which case the board of trustees shall have ultimate control over the assets and liabilities of the retirement system or plan. Nothing herein shall absolve the governmental unit from being ultimately responsible for the payment of its contribution to a retirement system or plan nor remove from the governmental unit the ultimate authority to adjust benefits consistent with the Florida Statutes and the retirement system or plan; however, nothing contained herein shall be construed to permit the creation of such irrevocable trust except by special act of the Legislature.

(9) The instrument or instruments, ordinance, or statute under which a retirement system or plan operates shall provide that all assets of such retirement system or plan shall be held in trust by the board of trustees or, when an irrevocable trust does not exist, by the governmental entity.

(10) No plan shall discriminate in its benefit formula based on color, national origin, sex, or marital status. Nothing herein shall preclude a plan from actuarially adjusting benefits or offering options based on age, early retirement, or disability.

(11) For noncollectively bargained service earned on or after July 1, 2011, or for service earned under collective bargaining agreements entered into on or after July 1, 2011, when calculating retirement benefits, a defined benefit pension system or plan sponsored by a local government may include up to 300 hours per year of overtime compensation as specified in the plan or collective bargaining agreement, but may not include any payments for accrued unused sick leave or annual leave. For those members whose terms and conditions of employment are collectively bargained, this subsection is effective for the first agreement entered into on or after July 1, 2011. This subsection does not apply to state-administered retirement systems or plans.

(12) An actuarial or cash surplus in any system or plan may not be used for any expenses outside the plan.

(13) A local government sponsor of a retirement system or plan may not reduce contributions required to fund the normal cost. This subsection does not apply to state-administered retirement systems or plans.

(14) The state is not liable for any obligation relating to any current or future shortfall in any local government retirement system or plan.

**History.**—s. 1, ch. 78-170; s. 20, ch. 79-183; s. 3, ch. 90-274; s. 725, ch. 95-147; s. 2, ch. 2011-216; s. 2, ch. 2013-100.

**112.661 Investment policies.**—Investment of the assets of any local retirement system or plan must be consistent with a written investment policy adopted by the board. Such policies shall be structured to maximize the financial return to the retirement system or plan consistent with the risks incumbent in each investment and shall be structured to establish and maintain an appropriate diversification of the retirement system or plan's assets.

(1) **SCOPE.**—The investment policy shall apply to funds under the control of the board.

(2) **INVESTMENT OBJECTIVES.**—The investment policy shall describe the investment objectives of the board.

(3) **PERFORMANCE MEASUREMENT.**—The investment policy shall specify performance measures as are appropriate for the nature and size of the assets within the board's custody.

(4) **INVESTMENT AND FIDUCIARY STANDARDS.**—The investment policy shall describe the level of prudence and ethical standards to be followed by the board in carrying out its investment activities with respect to funds described in this section. The board in performing its investment duties shall comply with the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A)-(C). Except as provided in s. 112.662, in case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section prevail.

(5) **AUTHORIZED INVESTMENTS.**—

(a) The investment policy shall list investments authorized by the board. Investments not listed in the investment policy are prohibited. Unless otherwise authorized by law or ordinance, the investment of the assets of any local retirement system or plan covered by this part shall be subject to the limitations and conditions set forth in s. 215.47(1)-(6), (8), (9), (11) and (17).

(b) If a local retirement system or plan has investments that, on October 1, 2000, either exceed the applicable limit or do not satisfy the applicable investment standard, such excess or investment not in compliance with the policy may be continued until such time as it is economically feasible to dispose of such investment. However, no additional investment may be made in the investment category which exceeds the applicable limit, unless authorized by law or ordinance.

(6) **MATURITY AND LIQUIDITY REQUIREMENTS.**—The investment policy shall require that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. To that end, the investment policy should direct that, to the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash-flow requirements.

(7) **PORTFOLIO COMPOSITION.**—The investment policy shall establish guidelines for investments and limits on security issues, issuers, and maturities. Such guidelines shall be commensurate with the nature and size of the funds within the custody of the board.

(8) **RISK AND DIVERSIFICATION.**—The investment policy shall provide for appropriate diversification of the investment portfolio. Investments held should be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold. Diversification strategies within the established guidelines shall be reviewed and revised periodically, as deemed necessary by the board.

(9) **EXPECTED ANNUAL RATE OF RETURN.**—The investment policy shall require that, for each actuarial valuation, the board determine the total expected annual rate of return for the current year, for each of the next several years, and for the long term thereafter. This determination must be filed promptly with the Department of Management Services and with the plan's sponsor and the consulting actuary. The department shall use this determination only to notify the board, the plan's sponsor, and consulting actuary of material differences between the total expected annual rate of return and the actuarial assumed rate of return.

(10) **THIRD-PARTY CUSTODIAL AGREEMENTS.**—The investment policy shall provide appropriate arrangements for the holding of assets of the board. Securities should be held with a third party, and all securities purchased by, and all collateral obtained by, the board should be properly designated as an asset of the board. No withdrawal of securities, in whole or in part, shall be made from safekeeping except by an authorized member of the board or the board's designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

(11) **MASTER REPURCHASE AGREEMENT.**—The investment policy shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

(12) **BID REQUIREMENT.**—The investment policy shall provide that the board determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investment, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid must be selected.

(13) **INTERNAL CONTROLS.**—The investment policy shall provide for a system of internal controls and operational procedures. The board shall establish a system of internal controls which shall be in writing and made a part of the board's operational procedures. The policy shall provide for review of such controls by independent certified public accountants as part of any financial audit periodically required of the board's unit of local government. The internal controls should be designed to prevent losses of funds which might arise from fraud, error, misrepresentation by third parties, or imprudent actions by the board or employees of the unit of local government.

(14) **CONTINUING EDUCATION.**—The investment policy shall provide for the continuing education of the board members in matters relating to investments and the board's responsibilities.

(15) **REPORTING.**—The investment policy shall provide for appropriate annual or more frequent reporting of investment activities. To that end, the board shall prepare periodic reports for submission to the governing body of the unit of local government which shall include investments in the portfolio by class or type, book value, income earned, and market value as of the report date. Such reports shall be available to the public.

(16) **FILING OF INVESTMENT POLICY.**—Upon adoption by the board, the investment policy shall be promptly filed with the Department of Management Services and the plan's sponsor and consulting

actuary. The effective date of the investment policy, and any amendment thereto, shall be the 31st calendar day following the filing date with the plan sponsor.

(17) **VALUATION OF ILLIQUID INVESTMENTS.**—The investment policy shall provide for the valuation of illiquid investments for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism. If those investments are utilized, the investment policy must include the criteria set forth in s. 215.47(6), except that submission to the Investment Advisory Council is not required. The investment policy shall require that, for each actuarial valuation, the board must verify the determination of the fair market value for those investments and ascertain that the determination complies with all applicable state and federal requirements. The investment policy shall require that the board disclose to the Department of Management Services and the plan's sponsor each such investment for which the fair market value is not provided.

**History.**—s. 2, ch. 2000-264; s. 6, ch. 2009-21; s. 4, ch. 2023-28; s. 5, ch. 2023-111.

**112.662 Investments; exercising shareholder rights.**—

(1) As used in this section, the term “pecuniary factor” means a factor that the plan administrator, named fiduciary, board, or board of trustees prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the retirement system or plan. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

(2) Notwithstanding any other law, when deciding whether to invest and when investing the assets of any retirement system or plan, only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system or plan may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns.

(3) Notwithstanding any other law, when deciding whether to exercise shareholder rights or when exercising such rights on behalf of a retirement system or plan, including the voting of proxies, only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system or plan may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor.

(4)(a) By December 15, 2023, and by December 15 of each odd-numbered year thereafter, each retirement system or plan shall file a comprehensive report detailing and reviewing the governance policies concerning decisionmaking in vote decisions and adherence to the fiduciary standards required of such retirement system or plan under this section, including the exercise of shareholder rights.

1. The State Board of Administration, on behalf of the Florida Retirement System, shall submit its report to the Governor, the Attorney General, the Chief Financial Officer, the President of the Senate, and the Speaker of the House of Representatives.

2. All other retirement systems or plans shall submit their reports to the Department of Management Services.

(b) By January 15, 2024, and by January 15 of each even-numbered year thereafter, the Department of Management Services shall submit a summary report to the Governor, the Attorney General, the Chief Financial Officer, the President of the Senate, and the Speaker of the House of Representatives that includes a summary of the reports submitted under paragraph (a) and identifies any relevant trends among such systems and plans.

(c) The Department of Management Services shall report incidents of noncompliance to the Attorney General, who may institute proceedings to enjoin any person found violating this section. If such action is successful, the Attorney General is entitled to reasonable attorney fees and costs.

(d) The Department of Management Services shall adopt rules to implement this subsection.

(5) This section does not apply to individual member-directed investment accounts established as part of a defined contribution plan under s. 401(a), s. 403(b), or s. 457 of the Internal Revenue Code.

**History.**—s. 5, ch. 2023-28.

**112.664 Reporting standards for defined benefit retirement plans or systems.**—

(1) In addition to the other reporting requirements of this part, within 60 days after receipt of the certified actuarial report submitted after the close of the plan year that ends on or after December 31, 2015, and thereafter in each year required under s. 112.63(2), each defined benefit retirement system or plan, excluding the Florida Retirement System, shall prepare and electronically report the following information to the Department of Management Services in a format prescribed by the department:



(a) Annual financial statements that comply with the requirements of the Governmental Accounting Standards Board's Statement No. 67, titled "Financial Reporting for Pension Plans," and Statement No. 68, titled "Accounting and Financial Reporting for Pensions," using mortality tables used in either of the two most recently published actuarial valuation reports of the Florida Retirement System, including the projection scale for mortality improvement. Appropriate risk and collar adjustments must be made based on plan demographics. The tables must be used for assumptions for preretirement and postretirement mortality.

(b) Annual financial statements similar to those required under paragraph (a), but which use an assumed rate of return on investments and an assumed discount rate that are equal to 200 basis points less than the plan's assumed rate of return.

(c) Information indicating the number of months or years for which the current market value of assets are adequate to sustain the payment of expected retirement benefits as determined in the plan's latest valuation and under the financial statements prepared pursuant to paragraphs (a) and (b).

(d) Information indicating the recommended contributions to the plan based on the plan's latest valuation, and the contributions necessary to fund the plan based on financial statements prepared pursuant to paragraphs (a) and (b), stated as an annual dollar value and a percentage of valuation payroll.

(2) Each defined benefit retirement system or plan, excluding the Florida Retirement System, and its plan sponsor:

(a) Shall provide the information required by this section and the funded ratio of the system or plan as determined in the most recent actuarial valuation as part of the disclosures required under s. 166.241(3) and on any website that contains budget information relating to the plan sponsor or actuarial or performance information related to the system or plan.

(b) That has a publicly available website shall provide on that website:

1. The plan's most recent financial statement and actuarial valuation, including a link to the Division of Retirement Actuarial Summary Fact Sheet for that plan.

2. For the previous 5 years, beginning with 2013, a side-by-side comparison of the plan's assumed rate of return compared to the actual rate of return, as well as the percentages of cash, equity, bond, and alternative investments in the plan portfolio.

3. Any charts and graphs of the data provided in subparagraphs 1. and 2., presented in a standardized, user-friendly, and easily interpretable format as prescribed by the department.

(3) The plan shall be deemed to be in noncompliance if it has not submitted the required information to the Department of Management Services within 60 days after receipt of the certified actuarial report for the plan year for which the information is required to be submitted to the department.

(a) The Department of Management Services may notify the Department of Revenue and the Department of Financial Services of the noncompliance, and the Department of Revenue and the Department of Financial Services shall withhold any funds not pledged for satisfaction of bond debt service and which are payable to the plan sponsor until the information is provided to the department. The department shall specify the date the withholding is to begin and notify the Department of Revenue, the Department of Financial Services, and the plan sponsor 30 days before the specified date.

(b) Within 21 days after receipt of the notice, the plan sponsor may petition the Department of Management Services for a hearing under ss. 120.569 and 120.57. The Department of Revenue and the Department of Financial Services may not be parties to the hearing, but may request to intervene if requested by the department or if the Department of Revenue or the Department of Financial Services determines its interests may be adversely affected by the hearing.

**History.**—s. 3, ch. 2013-100; s. 2, ch. 2015-157.

**112.665 Duties of Department of Management Services.—**

(1) The Department of Management Services shall:

(a) Gather, catalog, and maintain complete, computerized data information on all public employee retirement systems or plans in the state based upon a review of audits, reports, and other data pertaining to the systems or plans;

(b) Receive and comment upon all actuarial reviews of retirement systems or plans maintained by units of local government;

(c) Cooperate with local retirement systems or plans on matters of mutual concern and provide technical assistance to units of local government in the assessment and revision of retirement systems or plans;

(d) Annually issue, by January 1, a report to the President of the Senate and the Speaker of the House of Representatives, which details division activities, findings, and recommendations concerning all governmental retirement systems. The report may include legislation proposed to carry out such recommendations;

(e) Provide a fact sheet for each participating local government defined benefit pension plan which summarizes the plan's actuarial status. The fact sheet should provide a summary of the plan's most current actuarial data, minimum funding requirements as a percentage of pay, and a 5-year history of funded ratios. The fact sheet must include a brief explanation of each element in order to maximize the transparency of the local government plans. The fact sheet must also contain the information specified in s. 112.664(1). These documents shall be posted on the department's website. Plan sponsors that have websites must provide a link to the department's website;

(f) Annually issue, by January 1, a report to the Special District Accountability Program of the Department of Economic Opportunity which includes the participation in and compliance of special districts with the local government retirement system provisions in s. 112.63 and the state-administered retirement system provisions specified in part I of chapter 121; and

(g) Adopt reasonable rules to administer this part.

(2) The department may subpoena actuarial witnesses, review books and records, hold hearings, and take testimony. A witness shall have the right to be accompanied by counsel.

**History.**—s. 19, ch. 79-183; s. 7, ch. 84-254; s. 34, ch. 89-169; s. 49, ch. 92-279; s. 55, ch. 92-326; s. 24, ch. 94-249; s. 24, ch. 99-255; s. 14, ch. 2000-169; s. 46, ch. 2011-142; s. 3, ch. 2011-216; s. 4, ch. 2013-100; s. 60, ch. 2014-22.

**112.67 Special acts prohibited.**—Pursuant to s. 11(a)(21), Art. III of the State Constitution, the Legislature hereby prohibits special laws or general laws of local application in conflict with the requirements of this part.

**History.**—s. 2, ch. 78-170.

## **PART VIII FIREFIGHTERS**

112.80 Short title.

112.81 Definitions.

112.82 Rights of firefighters.

112.83 Rights of firefighters with respect to civil suits.

112.84 Rights of firefighters nonexclusive.

**112.80 Short title.**—This part may be cited as the “Firefighters’ Bill of Rights.”

**History.**—s. 1, ch. 86-6.

**112.81 Definitions.**—As used in this part:

(1) “Administrative proceeding” means any nonjudicial hearing which may result in the recommendation, approval, or order of disciplinary action against, or suspension or discharge of, a firefighter.

(2) “Employing agency” means any municipality or the state or any political subdivision thereof, including authorities and special districts, which employs firefighters.

(3) “Firefighter” means a person who is certified in compliance with s. 633.408 and who is employed solely within the fire department or public safety department of an employing agency as a full-time firefighter whose primary responsibility is the prevention and extinguishment of fires; the protection of life and property; and the enforcement of municipal, county, and state fire prevention codes and laws pertaining to the prevention and control of fires.

(4) “Formal investigation” means the process of investigation ordered by supervisory or management personnel, to determine if the firefighter should be disciplined, reprimanded, suspended, or removed, during which the questioning of a firefighter is conducted for the purpose of gathering evidence of misconduct.

(5) “Informal inquiry” means a meeting by supervisory or management personnel with a firefighter about whom an allegation of misconduct has come to the attention of such supervisory or management personnel, the purpose of which meeting is to mediate a complaint or discuss the facts to determine whether a formal investigation should be commenced. The term does not include routine work-related discussions, such as safety sessions or normal operational fire debriefings.



(6) “Interrogation” means the questioning of a firefighter by an employing agency in connection with a formal investigation or an administrative proceeding but does not include arbitration or civil service proceedings. The term does not include questioning during an informal inquiry.

**History.**—s. 1, ch. 86-6; s. 118, ch. 2013-183; s. 1, ch. 2022-110.

**112.82 Rights of firefighters.**—Whenever a firefighter is subjected to an informal inquiry or interrogation, the inquiry or interrogation must be conducted in accordance with this section.

(1) An interrogation must take place at the facility where the investigating officer is assigned, or at the facility that has jurisdiction over the place where the incident under investigation allegedly occurred, as designated by the investigating officer.

(2) A firefighter may not be subjected to interrogation without first receiving written notice in sufficient detail of the formal investigation in order to reasonably apprise the firefighter of the nature of the investigation. The firefighter must be informed beforehand of the names of all complainants.

(3) All interrogations must be conducted at a reasonable time of day, preferably when the firefighter is on duty, unless the importance of the interrogation is of such a nature that immediate action is required.

(4) The firefighter under formal investigation must be informed of the name, rank, and unit or command of the officer in charge of the investigation, the interrogators, and all persons present during any interrogation.

(5) Informal inquiries and interrogation sessions must be of reasonable duration, and the firefighter must be permitted reasonable periods for rest and personal necessities.

(6) During an informal inquiry or interrogation, the firefighter may not be subjected to offensive language; threatened with a transfer, suspension, dismissal, or other disciplinary action; or offered any incentive as an inducement to answer any questions.

(7) A complete record of any interrogation must be made, and if a transcript of such interrogation is made, the firefighter under formal investigation is entitled to a copy of the transcript without charge. Such record may be electronically recorded.

(8) An employee or officer of an employing agency may represent the agency, and an employee organization may represent any member of a bargaining unit desiring such representation in any proceeding to which this part applies. If a collective bargaining agreement provides for the presence of a representative of the collective bargaining unit during investigations or interrogations, such representative shall be allowed to be present.

(9) A firefighter may not be discharged, disciplined, demoted, denied promotion or seniority, transferred, reassigned, or otherwise disciplined or discriminated against in regard to his or her employment, or be threatened with any such treatment as retaliation for or by reason solely of his or her exercise of any of the rights granted or protected by this part.

**History.**—s. 1, ch. 86-6; s. 2, ch. 2022-110.

**112.83 Rights of firefighters with respect to civil suits.**—If an agency employing firefighters fails to comply with the requirements of this part, a firefighter employed by such agency who is personally injured by such failure to comply may apply directly to the circuit court of the county wherein such employing agency is headquartered and permanently resides for an injunction to restrain and enjoin such violation of the provisions of this part and to complete the performance of the duties imposed by this part.

**History.**—s. 1, ch. 86-6.

**112.84 Rights of firefighters nonexclusive.**—

(1) The rights of firefighters as set forth in this part shall not be construed to diminish the rights and privileges of firefighters that are guaranteed to all citizens by the Constitution and laws of the United States and of this state or limit the granting of broader rights by other law, ordinance, or rule. These rights include the right to bring suit against any individual, group of persons, association, organization, or corporation for damages, either monetary or otherwise, suffered during the performance of the firefighter’s official duties or for abridgment of the firefighter’s rights, civil or otherwise, arising out of the performance of his or her official duties.

(2) This part is neither designed to abridge nor expand the rights of firefighters to bring civil suits for injuries suffered in the course of their employment as recognized by the courts, nor is it designed to abrogate any common-law or statutory limitation on the rights of recovery.

**History.**—s. 1, ch. 86-6.

BOARD OF TRUSTEES  
TOWN OF DAVIE MANAGERIAL AND GENERAL EMPLOYEES RETIREMENT PLAN  
RESOLUTION 2006-\_\_\_\_\_

AUTHORIZATION TO PAY NON-DISCRETIONARY BENEFITS

The Board of Trustees hereby authorizes the Plan Administrator, or in his absence, the Chairperson of the Board, to authorize the immediate payment of nondiscretionary, routine benefits from the Fund. Such benefit payments shall include:

1. Normal service retirement benefits
2. Early service retirement benefits
3. Uncontested survivor benefits
4. Return of contributions

All such payments shall be reported in writing to the Board and placed on the next ensuing agenda of the Board for ratification.

This policy shall not include disability retirement benefits or survivor benefits in which the cause is at issue or entitlement to the benefit is contested by multiple beneficiaries.

Adopted by the Board on \_\_\_\_\_, 2006

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary

**BOARD OF TRUSTEES  
TOWN OF DAVIE  
RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND  
GENERAL EMPLOYEES**

**ADMINISTRATIVE RULE GOVERNING THE PURCHASE  
OF PRIOR AND MILITARY SERVICE**

1. The control, management, operation and administration of the Plan is vested in the Board of Trustees. The Board of Trustees is authorized to adopt administrative rules necessary for the proper operation of the Fund. The Plan grants authority to the Board "to establish uniform rules and procedures to be followed for administrative purposes, benefit applications, and all matters required to administer the plan."
2. The Plan further allows for the purchase of prior governmental and/or military service. The Plan specifically provides:
  - a) Participants who were employed in a position covered by the Plan prior to October 1, 2003, may purchase up to five (5) additional years of credited service under the Plan for all or a portion of their previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie. Any participant who elects to purchase previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie, shall pay the full actuarial cost of such credited service on or before three (3) months from the date of the past service cost calculation, in accordance with subsection (c) below.
  - b) Participants with a hire date after October 1, 2003, may purchase up to five (5) additional years of credited service at any time before completing twelve (12) months of service with the Town of Davie; provided the member has paid into the plan prior to completing twelve (12) months of service, the full actuarial cost of such credited service as determined by the plan actuary. No additional service credit will be allowed if the participant is receiving or will receive any other retirement benefit based on the prior government service.

c) Payment for the purchase of credited service authorized in subsection (a) and (b) above, shall be made in one of the following manners:

1. Cash lump sum payment.
2. Direct transfer or rollover of an eligible distribution from a qualified plan.

Full payment for the purchase of past service credit must be made before separation from Town employment. If full payment is not made by time of separation, credited service shall be based on amount of payment received.

3. Any member wishing to purchase service must complete an application/election form provided by the Plan Administrator. The form must specifically provide whether the time being purchased is governmental and/or military service and the actual amount of service being purchased. The form must also contain an acknowledgment to be signed by the member indicating that they are not receiving, or eligible to receive in the future, a defined benefit retirement from another publicly supported system, except the federal military retirement system, for the time being purchased. The form shall also contain a warning that the board is empowered to purge the pension rolls of any person who is granted a benefit, if the benefit is found to have been erroneously, fraudulently, or illegally obtained. One actuarial cost estimate will be provided to a member at no cost. All subsequent requests for actuarial cost estimates will be paid for the member prior to the estimate being calculated.
4. Should a member choose to purchase service after receiving the estimate, the member shall pay the full cost of the service buyback within ninety (90) days from the date of the actuarial calculation. The buyback shall be purchased in one lump sum or may be made by rollover from a qualified retirement plan.
5. With regard to the purchase of prior governmental service, the member shall provide sufficient proof of actual service with a governmental employer indicating the length of service with that employer. Only full time service with a governmental employer may be purchased. The member shall also provide sufficient proof that the member is not receiving, or eligible to receive, a defined benefit retirement based on the prior service. Either a certified copy of a member's personnel file, or a notarized statement from the prior employer shall be acceptable as sufficient proof of the prior governmental service. Once this proof is received, the Plan Administrator shall attempt to verify the information with the prior governmental employer.
6. With regard to the purchase of military service, presentation to the board of satisfactory evidence of honorable discharge from the United States military shall be provided with regard to the military service being purchased. Military credit shall be granted regardless of whether the member was employed prior to entering military service or was employed

after leaving military service. Only military service in the United States Armed Forces (Army, Navy, Air Force, Marines), Coast Guard, or National Oceanic and Atmospheric Administration shall be allowed to be purchased.

The following documents, after being reviewed by the Board to determine their legitimacy, may constitute acceptable proof of military service for the purpose of granting creditable service in CERS:

- A. Form DD-214;
  - B. NGB Form 23 ;
  - C. Form 249-2-E;
  - D. Any diploma or certificate containing language to the effect that the member has been honorably discharged;
  - E. Any other form prepared by a military unit of the United States of America which is used to document retirement points in the military which the Board finds acceptable.
- 7. The Board of Trustees reserves the right to amend this Administrative Rule from time to time as it deems appropriate. The Board shall retain the right to exercise its discretion in interpreting this rule and in resolving any disputes that may arise hereunder.
  - 8. This rule was considered by the Board of Trustees at a public hearing, following proper notice, on January 25, 2007. The Administrative Rule was adopted by vote of the Trustees on January 25, 2007.

**BOARD OF TRUSTEES  
TOWN OF DAVIE  
RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL  
EMPLOYEES**

**ADMINISTRATIVE RULE GOVERNING THE TREATMENT OF TOTAL CASH  
REMUNERATION**

1. The control, management, operation and administration of the Plan is vested in the Board of Trustees. The Board of Trustees is authorized to adopt administrative rules necessary for the proper operation of the Fund. Section 3.01(E) of the Plan grants authority to the Board to establish uniform rules and procedures to be followed for administrative purposes, benefit applications, and all matters required to administer the plan.@
2. Average final compensation is defined by Section 1.06 of the Plan as "one-twelfth of the highest average earnings". Salary/Compensation is not defined by Section 1.06, which instead refers to Section D of the Adoption Agreement. Section D of the Adoption Agreement provides that salary "means total cash remuneration paid to an employee for services rendered". Total cash remuneration is not defined within the Plan or Adoption Agreement.
3. The Board interprets pensionable total cash remuneration as follows:

An amount not to exceed W-2 earnings, but including only compensation paid in cash, for services rendered, exclusive of reimbursements.

Examples of items included within total cash remuneration include: terminal leave payments of cashed out sick and vacation leave and automobile allowances paid in cash.

Examples of items not included within total cash remuneration include: "Choice Dollars" health benefits and the taxable value of a take home automobile.
4. The Board of Trustees reserves the right to amend this Administrative Rule from time to time as it deems appropriate. The Board shall retain the right to exercise its discretion in interpreting this rule and in resolving any disputes that may arise hereunder.
5. This rule was considered by the Board of Trustees at a public hearing, following proper notice, on \_\_\_\_\_, 2009. The Administrative Rule was adopted by vote of the Trustees on \_\_\_\_\_, 2009.



**Klausner & Kaufman**  
PROFESSIONAL ASSOCIATION  
ATTORNEYS AT LAW

Writer's e-mail: [adam@robertdklausner.com](mailto:adam@robertdklausner.com)

August 27, 2009

Grace Hall  
Chair, Board of Trustees  
Town of Davie Managerial and General Employees Retirement Plan  
6591 Orange Drive  
Davie, Florida 33314-3399

Re: Town of Davie Managerial and General Employees Retirement Plan -  
Total Cash Remuneration  
Our File No. 06-0008

Dear Ms. Hall:

The purpose of this letter is to provide legal guidance as the Board evaluates the treatment of "choice dollars" medical benefits and other pieces of an employee's compensation package. As set forth below, the Board is charged with the administrative responsibility to interpret and construe the plan. Such interpretations should be performed in consultation with the plan's professionals, should be informed by the plan's practices and history, and are required to be done consistent with the actuarially required funding of the plan.

The question has been raised as to whether "choice dollars" are pensionable. A similar question is presented as to the treatment of take home vehicles. Without providing a conclusive answer, the purpose of this opinion is to survey the considerations that the Board should review in analyzing these issues.

By way of background, it is useful to summarize the Board's duties and responsibilities with regard to plan administration.

Section 3.01(A) of the plan charges the Board of Trustees with the responsibility for to "provide administrative supervision to ensure proper operation of the plan." The Board's duties and responsibilities are set forth in greater detail in Section 3.01(E) and include the power to

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10059 NORTHWEST 1ST COURT, PLANTATION, FLORIDA 33324

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August 27, 2009

Page 2

"construe the provisions of the Plan and determine all questions arising thereunder." The Board is further authorized by Section 3.01(E) to adopt uniform rules and procedures, to determine and certify the amount of all benefits, and to perform such other duties as required to administer the Plan.

As is customary, Article 1 of the plan defines important terms. Because employment and benefits packages are not static, the plan's definitions are usually not definitive in and of themselves. For this reason, amendments are appropriate from time to time.

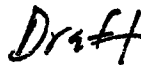
Average final compensation is defined by Section 1.06 as "one-twelfth of the highest average earnings" during the relevant time period for general and managerial employees.

Salary/Compensation is not defined by Section 1.06, which instead refers to Section D of the Adoption Agreement. Section D of the Adoption Agreement provides that "salary means total cash remuneration paid to an employee for services rendered". As would be expected, these same definitions are effectively repeated in the summary plan description and on Table X of the plan's valuation.

It is worthwhile to observe that average final compensation is framed in terms of "salary". Arguably, medical benefits and transportation are not traditionally treated as salary. While "total cash remuneration" is not defined, the Board should look at the three constituent parts of the phrase. Only remuneration paid in cash, and all remuneration paid in cash, is potentially pensionable under this definition.

In analyzing these provision, the Board should feel free to consult with its actuary and other professionals. The Board should also feel free to request all relevant information from the Town concerning evolving compensation and health packages. The Board can also be guided by rules of statutory construction, which can be discussed in more detail with the Board during its review process.

Sincerely,



ADAM P. LEVINSON

APL:ldm

\\lp\060008\Hall ltr re total cash remuneration

**BOARD OF TRUSTEES  
TOWN OF DAVIE  
RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL  
EMPLOYEES**

**ADMINISTRATIVE RULE GOVERNING ACTUARIAL EQUIVALENT DEATH  
BENEFITS**

1. The control, management, operation and administration of the Plan is vested in the Board of Trustees. The Board of Trustees is authorized to adopt administrative rules necessary for the proper operation of the Fund. Section 3.01(E) of the Plan grants authority to the Board "to establish uniform rules and procedures to be followed for administrative purposes, benefit applications, and all matters required to administer the plan."
2. Pre-retirement benefits are set forth in paragraph I of the Adoption Agreement for the Plan.  
  
Paragraph I 2) governs the death benefit for vested employees as follows:  
  
If a General Employee dies prior to Normal Retirement Date, and has completed six (6) or more years of Vested Service, the beneficiary shall receive the benefit otherwise payable to the member at the member's Normal Retirement Date.  
  
If a Management Employee dies prior to Normal Retirement Date, and has completed three (3) or more years of Vested Service, the beneficiary shall receive the benefit otherwise payable to the member at the member's Normal Retirement Date.
3. In applying the Plan's death benefit provisions, the Board recognizes that such benefits were intended to be actuarial equivalent forms of payment. Accordingly, the Board shall interpret the death benefits for vested employees to recognize that the beneficiary shall receive the "actuarial equivalent benefit otherwise payable to the member at the member's Normal Retirement Date."
4. The Board of Trustees reserves the right to amend this Administrative Rule from time to time as it deems appropriate. The Board shall retain the right to exercise its discretion in interpreting this rule and in resolving any disputes that may arise hereunder.
5. This rule was considered by the Board of Trustees at a public hearing, following proper notice, on September 12, 2011. The Administrative Rule was adopted by vote of the Trustees on September 12, 2011.

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**BOARD OF TRUSTEES  
TOWN OF DAVIE  
RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL  
EMPLOYEES**

**ADMINISTRATIVE RULE GOVERNING ACTUARIAL EQUIVALENT DEATH  
BENEFITS**

1. The control, management, operation and administration of the Plan is vested in the Board of Trustees. The Board of Trustees is authorized to adopt administrative rules necessary for the proper operation of the Fund. Section 3.01(E) of the Plan grants authority to the Board "to establish uniform rules and procedures to be followed for administrative purposes, benefit applications, and all matters required to administer the plan."
2. Pre-retirement benefits are set forth in paragraph I of the Adoption Agreement for the Plan.

Paragraph I 2) governs the death benefit for vested employees as follows:

If a General Employee dies prior to Normal Retirement Date, and has completed six (6) or more years of Vested Service, the beneficiary shall receive the benefit otherwise payable to the member at the member's Normal Retirement Date.

If a Management Employee dies prior to Normal Retirement Date, and has completed three (3) or more years of Vested Service, the beneficiary shall receive the benefit otherwise payable to the member at the member's Normal Retirement Date.

3. In applying the Plan's death benefit provisions, the Board recognizes that such benefits were intended to be actuarial equivalent forms of payment. Accordingly, the Board shall interpret the death benefits for vested employees to recognize that the beneficiary shall receive the accrued benefit otherwise payable to the member at the member's Normal Retirement Date. Alternatively, the beneficiary may elect to receive earlier payment on an actuarially equivalent basis.

Notwithstanding anything to the contrary in the Plan, in the case of the death of a participant prior to retirement, the participant's eligible spouse will receive a monthly annuity for life effective as of the first day of the month following the participant's death. Such monthly annuity will be equal to the amount of the participant's monthly accrued benefit under the plan. If the participant does not have an eligible spouse, then such monthly annuity will be payable to the participant's dependent children in equal shares until the age of 18, provided that payments will be made for a minimum period of 10 years to each eligible child. If the

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participant does not have an eligible spouse or dependent child, then such monthly annuity will be payable to the participant's named beneficiary for life, provided that the amount of the monthly benefit payments will be actuarially equivalent to the participant's monthly accrued benefit payable for the life of the participant as if the participant had retired with a normal retirement pension on his date of death.

For purposes of this Rule, an "eligible spouse" is defined as a spouse, including registered domestic partner, who has been married to the member for six or more months. If a short term spouse has been married to a member less than six months, the short term spouse shall be treated as a beneficiary entitled to receive an actuarially equivalent benefit.

4. The Board of Trustees reserves the right to amend this Administrative Rule *from time to time* as it deems appropriate. The Board shall retain the right to exercise its discretion in interpreting this rule and in resolving any disputes that may arise hereunder.
5. This rule was considered by the Board of Trustees at a public hearing, following proper notice, on September 10 2012. The Administrative Rule was adopted by vote of the Trustees on September 10, 2012.

**RETIREMENT PLAN AND TRUST FOR THE MANAGEMENT  
AND GENERAL EMPLOYEES OF THE TOWN OF DAVIE**

**ELECTION PROCEDURE**

**Elections**

- (1) Notices of vacancies on the Board of Trustees and other election communications shall be provided to Department liaisons who shall disseminate and post the notices within their Department. Request for nominations to the Board of Trustees shall be called by the Town Clerk's Office on the first Monday in August prior to the end of a Trustees' term. The nomination period shall be open for one (1) week, ending on Friday of the same week until 2:00 p.m.
  - (a) Management employees, as defined by the plan, will only be allowed to nominate management employees.
    1. Nominees shall communicate acceptance in writing with the Clerk's Office.
  - (b) General employees, as defined by the plan, will only be allowed to nominate general employees.
    1. Nominees shall communicate acceptance in writing with the Clerk's Office.
- (2) Upon receipt of completed nomination forms (or electronic copies of the nomination form), the Town Clerk's Office shall verify the nominees are active members of the Management and General Employees Pension Plan.
- (3) Upon verification, the Town Clerk's Office shall create a notice of election for posting on the second Monday in August.
  - (a) Said notice shall be distributed to all departments for posting for one (1) week.
- (4) Elections will begin at 8:30 a.m. on the third Monday in August and will run until the Friday of that same week until 2:00 p.m.
- (5) Ballots shall be available at the Town Clerk's Office and picture identification may be required. Identification will be verified against the listing of active plan members and employee will be required to sign the registration sheet.
  - (a) Ballots will not be allowed to leave the reception area
  - (b) Absentee ballots will not be allowed
  - (c) Proxy ballots will not be allowed
- (6) At the close of the election, a representative of the Town Clerk's Office, one (1) management employee and one (1) general employee shall count the ballots.
  - (a) Those counting the ballots shall not be a nominated employee.
  - (b) All nominees shall have the right to view the counting of the ballots.
- (7) A runoff election shall be held in the event of a tie.
- (8) The term of the elected Board of Trustees shall be October 1st through September 30th.

**Board of Trustees Vacancy**

If a Board member leaves the employ of the Employer as a Participant or otherwise vacates office as Board member, a successor shall be chosen in the same manner as the departing Board member.

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- (1) Special Election. Whenever there is a vacancy on the Board of Trustees and there is more than six (6) months remaining before the next Trustee election, a special election shall be called within four (4) weeks of notification. The guidelines for a special election shall be one (1) week of notification of nominations, one (1) week of election notice; and one week (1) for elections. The guidelines shall follow the elections set forth above.
- (2) Appointment. Whenever there is a vacancy on the Board of Trustees and there is less than six (6) months remaining before the next Trustee election, the remaining Trustees shall each propose the name of one qualified successor to fill the vacancy, and the remaining Trustees shall then select a qualified successor(s) from among those names.

The chosen successor(s) must meet the same qualifications as his/her predecessor.

- (3) Term. The term of office for vacancies filled by election or appointment shall be for the remainder of the unexpired term of the office in which the vacancy exists.

#### **Selection of Chair/Vice-Chair/Secretary**

- (1) The Chair, Vice-Chair and Secretary shall be selected by the Trustees at the first meeting following an election and shall serve a term for two years.
- (2) In the event that a vacancy occurs, a successor shall be selected by the Trustees.

M. Grace Hall  
Chair

6/3/2015  
Date

**BOARD OF TRUSTEES  
TOWN OF DAVIE  
RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND  
GENERAL EMPLOYEES**

**ADMINISTRATIVE RULE GOVERNING DROP INTEREST DURING LAST MONTH  
OF EMPLOYMENT**

1. The control, management, operation and administration of the Plan is vested in the Board of Trustees. The Board of Trustees is authorized to adopt administrative rules necessary for the proper operation of the Fund. The Plan grants authority to the Board Ato establish uniform rules and procedures to be followed for administrative purposes, benefit applications, and all matters required to administer the plan.@
2. Section 6.05(c)1 of the Plan provides that interest shall accrue on DROP balances “at an effective annual rate of 6.5 percent compounded monthly, on the prior month’s accumulated balance, up to the month of termination or death.”
3. The Plan is silent with regard to the crediting of interest during the final month of DROP participation.
4. In interpreting Section 6.05(c)1 **the Board shall credit interest on the final month of DROP participation only when a member separates from service on or after the final business day of the month.** Members shall be informed of the Board’s policy of not prorating interest during a partial month of DROP participation.
5. The Board of Trustees reserves the right to amend this Administrative Rule from time to time as it deems appropriate. The Board shall retain the right to exercise its discretion in interpreting this rule and in resolving any disputes that may arise hereunder.
6. This rule was considered by the Board of Trustees at a public hearing, following proper notice, on May 30, 2018. The Administrative Rule was adopted by vote of the Trustees on June 5, 2018.



## **Administrative Rule**

### **Town of Davie Management and General Employees' Pension**

#### **Average Final Compensation Calculation for Prior DC Members Who Joined the DB Plan**

##### **BACKGROUND**

Pursuant to Section 6.06 of the Plan Document, Management and General Non-Represented Employees hired prior to October 1, 2003, were given a one-time opportunity to discontinue contributions to the Defined Contribution Plan and join the Defined Benefit Plan.

Pursuant to Section 6.07 of the Plan Document, General Represented Employees hired prior to October 1, 2006, were given a one-time opportunity to discontinue contributions to the Defined Benefit Contribution Plan and join the Defined Benefit Plan.

Pursuant to Section 1.06 of the Plan Document, "Average Final Compensation" is defined as: For General Employees, one-twelfth of the highest average earnings during the five best years of creditable service prior to separation as an active member or the career average, whichever is greater.

For Management Employees, one-twelfth of the highest average earnings during the three best years of creditable service prior to separation as an active member or the career average, whichever is greater.

For all members hired on or after October 1, 2013, one-twelfth of the highest average earnings during the six best years of credited -service prior to separation as an active member or the career average, whichever is greater.

##### **AUTHORITY**

Pursuant to Section 3.01(E)(4), the Board of Trustees has the authority to "establish uniform rules and procedures to be followed for administrative purposes, benefit applications, and all matters required to administer to the Plan."

##### **ADMINISTRATIVE POLICY**

1. In the event one of the above-mentioned members of the Plan retires with less than the number of years used to calculate Average Final Compensation, the Actuary shall use the average of earnings for the period actually spent as a member of the Plan

The Board reserves the right to amend this Administrative Policy from time to time as it deems appropriate. The Board shall retain the right to exercise its discretion in interpreting this rule and in resolving any disputes that may arise hereunder. Nothing in this Administrative Policy creates a contractual or substantive right for benefits from the Plan.

Town of Davie Management and General Employees' Pension Plan  
Administrative Policy Regarding Average Final Compensation Calculation for Prior DC Members  
who Joined the DB Plan.

This Administrative Policy was adopted by the Board of Trustees at a public meeting, on  
September 6, 2022.

  
Chair

  
Secretary

# **RETIREMENT PLAN AND TRUST FOR THE MANAGEMENT AND GENERAL EMPLOYEES OF THE TOWN OF DAVIE**

## **OPERATING RULES & PROCEDURES**

September 1, 2020

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# **RULE 1**

## **BOARD OF TRUSTEES**

### **1.1 FUNCTIONS**

The Board of Trustees shall:

- act as the named fiduciary of the Fund as defined by Florida law;
- have the exclusive authority to operate, maintain and interpret the provisions of the local ordinances establishing the Pension Fund;
- be responsible for establishing and executing the investment policy of the Fund;
- select and retain professional advisors to the Fund, including but not limited to accountants, actuaries, administrators, attorneys, banks and custodians, investment managers, performance monitors and any others deemed necessary to the Fund's operation;
- determine all claims for retirement or disability benefits;
- prepare and distribute a Summary Plan Description as provided by Section 112.66, Florida Statutes;
- direct such actuarial and accounting functions as are required by law;
- file reports with the State of Florida and other appropriate bodies; and
- fulfill all other such duties as may be required by prudence and law.

All business of the Fund and of the Trustees shall be conducted pursuant to the provisions of the Town of Davie Ordinance, Florida Statutes and the federal law.

## **1.2 DEFINITION OF FIDUCIARY**

A fiduciary shall be defined as a person responsible for the discharge of their duties with respect to the pension plan for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying the reasonable expenses of administering the plan. The Board of Trustees as fiduciaries of the Fund shall hold, manage, control and safeguard the Fund solely in the interests of members of the plan. The Trustees are authorized by law to purchase fiduciary liability insurance at the expense of the plan to cover liability or losses incurred by reason of act or omission, pursuant to Section 112.656, Florida Statutes.

## **1.3 OFFICES**

The Trustees shall elect from among their members a Chairperson, Vice-Chairperson, and a Secretary who shall serve for one year.

- The Chairperson shall be responsible for the conduct of all meetings of the Board and shall have voting rights the same as other members of the Board. The Chairperson shall be the agent for service of legal process, unless the Trustees by a majority vote shall name another agent. The Chairperson is authorized to give direction to legal counsel and others having business with the Fund between meetings. Such activities shall be reported to the other Trustees at the next meeting. The Chairperson shall perform such other duties as the Trustees may assign. In the Chairperson's absence, the Vice Chairperson shall serve as Acting Chairperson.

- The Secretary shall be responsible for the minutes of all regular and special Board meetings and shall be the official custodian of records of the Fund. The Secretary together with the Chairperson shall execute all official contracts of the Fund. The Secretary shall be responsible for properly noticing all Board meetings as indicated in Rule 3.5. The third party Plan Administrator shall assist the Secretary with these administrative functions.
- Pursuant to Florida law, trustees shall hold over following the expiration of their term until a replacement trustee is selected. Nominations for positions on the Board may be submitted electronically.

#### **1.4 DISCLOSURE AND CONFLICT OF INTEREST**

All Trustees shall complete financial disclosure forms on an annual basis as required by law. Said disclosure forms shall be filed with the Supervisor of Elections in the County of residence of the Trustee. Conflicts of interest in voting shall be governed by the provisions of Section 112.3143, Florida Statutes, the Code of Ethics for public officials. Notwithstanding any other provision of law, no Trustee shall vote or participate in a determination of any matter in which that Trustee shall receive a personal gain, except in the case of employee Trustees voting on benefits applicable to all members of the plan, pursuant to Chapter 112.



## **1.5 COMMITTEES**

The Board may, from time to time, delegate any of its functions to a committee of one or more Trustees. In the event that a committee shall consist of more than one Trustee, the committee shall meet in accordance with the provisions of the Florida Government in the Sunshine Law. All committees shall be appointed by the Chairperson or the Board.

## **1.6 PER DIEM AND REIMBURSEMENT**

Trustees shall serve without compensation. However, Trustees are entitled to receive a per diem and reimbursement for reasonable expenses incurred in conducting the business of the Fund. The Board shall utilize the Town's travel policy, treating Trustees as Category 1 Employees. The per diem and reimbursement rate for all Trustees shall be no less than that provided for in Florida Statutes Chapter 112, and may be increased in the Board's discretion. The rate for a Trustee's use of his personal automobile is the IRS rate, when traveling outside Broward County. Per diems paid in advance shall be refunded for any days not used.

## **1.7 TRUSTEE EDUCATION**

All Trustees are encouraged to attend educational programs in connection with their duties and responsibilities as Trustees. Registration fees, travel and hotel expenses, as well as per diem and reimbursement for other reasonable expenses are automatically approved for any Trustee who is available to attend programs offered by the Florida Public

Pension Trustees Association (FPPTA), the State of Florida Division of Retirement, the National Conference on Public Employee Retirement Systems (NCPERS), and Klausner Kaufman, Jensen & Levinson. Other conferences and schools may be approved by a majority vote of the Board on a case-by-case basis. Following the conference, trustees are expected to report to the Board at the next scheduled meeting on topics of interest from the conference along with any educational information that may be relevant to the operation of the Fund.

## **1.8 OPERATING RULES AND PROCEDURES**

The Board of Trustees is authorized by law to establish rules of procedure for the operation of the Fund. No rule or regulation of the Fund may conflict with any lawful ordinance, charter provision or state law. All rule changes shall occur at a regular meeting of the Board. Prior to any rule change, an opportunity shall be offered to members and beneficiaries of the Fund to comment on any rule change and to make appearance before the Board as they shall desire. All rules to be adopted by the Fund shall be in writing and shall be adopted by a majority vote of the Board. The Board shall review its rules and regulations on a periodic basis. The rules and regulations of the Fund shall be reproduced and distributed, upon request, to any Plan member.

## **1.9 SUMMARY PLAN DESCRIPTION**

The summary plan description shall be furnished to a member of the Fund upon initial employment or participation in such plan and, thereafter, with each new biennial

publication by the Administrator. The Administrator shall publish the summary plan description not later than 210 days after the end of the plan year in which publication is required. During those years when a complete summary plan description is not published, the Administrator shall publish a supplement of changes during the previous year to be furnished to new members of the Fund upon initial employment or participation in the plan.

## **RULE 2**

### **COMMUNICATIONS AND RELATIONS WITH THE TOWN**

#### **2.1 INDEPENDENT ENTITY**

The Board of Trustees is an independent entity established by state law and Town ordinance. The Board of Trustees shall not be considered a component part of nor subordinate to the Town of Davie government. However, the Trustees shall establish and maintain communications with Town departments as is necessary for the management of the Fund.

#### **2.2 TOWN AS INDEPENDENT CONTRACTOR**

In accepting services from the Town of Davie, the Board shall treat the Town as an independent contractor. To this end, the Board may deem it advantageous to reduce the precise duties of the Town to writing, the same as any other contract for services entered into by the Board.

As the Town is the Fund Sponsor, the Board shall coordinate with the Town with the goal of effective communication and timely production of financial and actuarial reports.

#### **2.3 PENSION ORDINANCE**

The Town Council has continuing power to amend or supplement the ordinances affecting the Fund. The Board may make recommendations to the Town Council concerning amendments. Proposed ordinances shall be reviewed by the Board's attorney

who shall pass on the form and correctness of the ordinance. All proposed ordinance changes that carry an economic benefit shall be reviewed by the Board's actuary to determine the cost. No benefit change shall occur without an actuarial impact study as required by state law, which shall be provided to the Division of Retirement prior to second reading. All such actuarial impact studies shall be at the expense of the Fund.

## **2.4 COLLECTIVE BARGAINING**

The Board of Trustees acknowledges that it is neither an employee organization nor an employer as defined by Chapter 447, Part II, Florida Statutes. Therefore, the Board does not engage in collective bargaining on behalf of the Town of Davie or on behalf of any employee organization. The Board shall make itself available as a resource to labor organizations and the Town for all matters relating to pension and retirement. The Board may make its professional advisors available as a resource in the collective bargaining process and in this event will assume responsibility for professional fees incurred.

## **2.5 ACTUARIAL IMPACT STUDIES**

When a change in actuarial assumptions is considered by the Board, reasonable notice shall be given to the Town Administrator prior to the first meeting of the Board to consider any such change or any proposal or recommendation related thereto. Notice by agenda publication and the forwarding of a copy of the agenda to the Town Administrator's attention shall constitute notice hereunder. Reasonable notice shall be given of any subsequent meetings at which the issue of a change in the actuarial assumptions or a

related proposal or recommendation is to be considered.

## **2.6 APPEARANCE AT TOWN COUNCIL MEETINGS**

The Board of Trustees may, through one of its members, its administrator or its attorney, be represented at all Town Council meetings where a discussion of matters of interest to the Board is scheduled to occur. The Board may, prior to said meeting, designate an official spokesman to speak on behalf of the Fund.

## **RULE 3**

### **MEETINGS**

#### **3.1 SCHEDULE**

The Board of Trustees shall set its own schedule of meetings, which shall be held at least quarterly. Special meetings may be called by the Chairperson or by a majority of the Trustees upon notice as set forth in these Rules.

#### **3.2 ATTENDANCE AT MEETINGS**

In recognition of the importance of the work of the Board, regular attendance at Board meetings is expected of all Trustees. Any Trustee who fails to attend two consecutive meetings of the Board or who misses 3 meetings in a 12-month period without an excuse acceptable to the other Trustees shall be warned in writing of the Board's attendance policy. In the case of a Town-appointed Trustee, notice shall also be sent to the Town Administrator. Trustees who are called into the active service of the Town at the time of a Board meeting shall automatically be deemed excused.

#### **3.3 GOVERNMENT IN THE SUNSHINE**

All meetings of the Board shall be held in a location where public access is reasonably available. Historically the Board meets in Council Chambers. The meeting location will be identified on the agenda for each meeting. All meetings of the Board shall be conducted in accordance with the provisions of Section 286.011, Florida Statutes, the Government in the Sunshine Law. No Trustee shall engage in communications with



another Trustee outside of a public meeting on any matters of official Board business. Committees consisting of two or more Trustees shall hold meetings in accordance with the Government in the Sunshine Law.

### **3.4 PUBLIC RECORDS**

Records of all Board and Committee proceedings shall be maintained and open to public inspection in accordance with Chapter 119, Florida Statutes, the Public Records Law. Such records shall reflect a complete and comprehensive account of the discussions and actions taken by the Board. Approved copies of the minutes shall be sent promptly to the Fund Administrator, as custodian of the Fund's records. An additional copy of the minutes shall be sent to the Town Clerk. Medical records of any Fund participants are excepted by law and shall be maintained by the Fund Administrator so as to insure security of privileged information concerning participants' medical records.

### **3.5 NOTICES**

Notices of all regular and special Board meetings, as well as meetings of committees of two or more members, shall be posted in advance of the meeting as required by Town ordinance and state law. Notices shall contain, at a minimum, the meeting agenda and the date, time and place of the meeting. Notices shall be posted within a reasonable time in advance of the meeting. The Board aspires to make agenda notices available online.

### **3.6 AGENDAS; MEETING MATERIALS**

An agenda shall be prepared for each regular and special meeting of the Board. The agenda shall set forth those items upon which the Board anticipates having discussion or taking action. Each agenda item shall if possible have included with it backup material necessary for consideration by the Board. Agendas shall also inform members of the public that should they wish to appeal any decision made by the Board they will need a record of the proceedings and that they may need to ensure a verbatim record which includes testimony and evidence upon which the appeal is based. All agendas and meeting materials are public records as defined by Chapter 119, Florida Statutes.

### **3.7 WORKSHOPS**

The Board may from time to time wish to conduct workshop meetings for the purpose of developing policies or procedures of the Board or for review of investment or other data. Workshops shall be conducted in a public forum the same as any other meeting and shall have a published agenda in advance of the workshop.

### **3.8 RULES OF ORDER**

In recognition of the importance of accomplishing the objectives of the Board in an orderly manner, the Board may establish parliamentary rules of order for the conduct of its meetings. In the event that a question of procedure should arise for which no rule has been previously established, the Board may rely on rules and procedures contained in the current edition of Roberts Rules of Order Newly Revised. No rule or procedure adopted

by the Trustees may conflict with any Town ordinance or state law. Pursuant to Section 286.0114, Florida Statutes, public participation shall be permitted on each agenda and a reasonable opportunity to be heard shall be afforded pursuant to the Board's public participation policy, which is set forth below:

**Administrative Rules Governing Public Participation:**

**(a) Regular meetings.** Public discussion shall be placed on each agenda at the beginning of each scheduled meeting, unless the Chair or presiding officer decides to deviate from these rules on a case by case basis.

**(b) Special meetings.** Public comments at special meetings shall be limited only to the items and matters referred to on the agenda for such special meeting. The Chair or presiding officer may disallow any and all public comments on matters not specifically referred to on the agenda for a special meeting.

**(c) Order on agenda.** The first agenda item at each regular meeting shall be "public discussion" for fifteen minutes. The Board, by a majority vote, may authorize the extension of time for public discussion until a "time certain." In the event that members of the public are excluded from speaking due to time limitations, such members of the public shall be entitled to address the Board at the next regular meeting and a final vote on the pending items listed on speaker request cards described in section (d) shall be postponed accordingly.

**(d) Procedure for persons wanting to speak.** Members of the public who wish to speak under public discussion for either a regular or special meeting shall place their name on a sign-in list, containing their complete name and a brief discussion of the topic they wish to discuss. The list shall be provided to the Chair or presiding officer prior to public discussion and shall be preserved as public records by the Board, pursuant to applicable records retention policies.

**(e) Time limitation.** Public discussion shall be limited to three (3) minutes maximum per person during either a regular or special meeting. The Chair or presiding officer may, in their discretion, authorize the extension of such three-minute timeframe after due consideration for the substance, content and relative importance of such discussion.

**(f) Decorum.** No person shall interrupt or disrupt an individual who is addressing the Board or use loud, offensive, disorderly, threatening, insulting, abusive, or foul language, or behave in an offensive, disorderly, threatening, abusive, or insulting manner, or make personal, impertinent, slanderous, or profane remarks during the meeting. To maintain decorum and order, individuals who disturb the conduct of meetings, or who refuse to

conform their discussion to items set in the agenda, may be ejected by the Chair or presiding officer. All remarks shall be addressed to the Board as a body and not to any member thereof. No person other than a Board member or the person having the floor shall be permitted to enter into any discussion, without the permission of the Chair or presiding officer. All questions to the Board shall be directed through the Chair or presiding officer.

**(g) Scope.** These rules shall not apply to any meeting that is exempt from Section 286.011, Florida Statutes, or to any meeting where the Board is acting in a quasi-judicial capacity.

## **RULE 4**

### **INVESTMENT OF FUND ASSETS**

#### **4.1 INVESTMENT POLICY STATEMENT**

The Board shall establish written goals and objectives consistent with Section 112.661, Florida Statutes. The goals and objectives shall set forth the allocation of the Fund to be distributed to each investment category and shall establish expected rates of return. Review of the Board's investment policy shall take place periodically.

Upon adoption, any amendments to the investment policy shall be promptly filed with the Department of Management Services, the Town and the actuary.

#### **4.2 INVESTMENT MANAGERS**

In recognition of the importance of professional guidance in the investment of the assets of the Fund, all investments shall be performed by qualified, professional investment managers. The Board may employ a multi-manager team in order to diversify Fund assets and minimize the risk associated with dependence on the success of one enterprise. At the present time, Fund assets are invested with the Florida Municipal Pension Trust Fund ("FMPTF").

- Quarterly reports shall be presented in person by a representative of the FMPTF. Attendance at Board meetings, if requested, shall be at the manager's expense. The Board shall give the FMPTF or their investment managers proxy-voting responsibility, which the Trustees shall monitor. Records of all proxy votes shall be

maintained and made available to the Trustees. The managers acting on behalf of the Board shall vote all proxies to the benefit of Fund assets.

- In an effort to recapture a portion of brokerage commissions paid by managers in connection with transactions in the Fund's account, the Trustees may arrange with one or more firms to provide such services for the Fund, if applicable. Commission recapture programs are not intended to hamper the effectiveness of the managers. Funds received from the commission recapture program shall be set aside in a separate account and used for educational or administrative purposes.
- No manager shall be compensated with other than hard dollars. Termination of any manager by the FMPTF may be with or without cause. If a manager is replaced, the FMPTF shall be advised of the change at the earliest possible time.

#### **4.3 PERFORMANCE MONITOR**

The Town of Davie pension ordinance provides that the Board may retain a professionally qualified independent consultant to evaluate the performance of its investment managers. The Board may, in its discretion, engage a performance monitor on an ongoing basis. At the present time, the FMPTF acts as the Board's investment monitor/consultant.

- The performance monitor, or FMPTF representative, shall attend at least 1 meeting per quarter and shall report on the performance of each manager. The report shall include a comparison of the relative performance of each manager to the various stock and bond indices, as appropriate. The performance monitor shall report in

writing to the Board the retention or discharge of investment managers by the FMPTF and the reasons supporting the recommendations. Attendance at Board meetings shall be at the performance monitor's expense.

- As the investment advisor to the Fund, the performance monitor shall continuously monitor the investments to be certain that they are in compliance with the Board's investment guidelines, Town ordinances and applicable laws, and shall promptly alert the Trustees of any deviation.
- The performance monitor shall be compensated with hard dollars.
- The performance monitor shall agree in writing that it is a fiduciary.
- Termination may be with or without cause.

#### **4.4 RETAINING NEW INVESTMENT MANAGERS AND ADVISORS**

In the event the Board elects to consider retaining a new manager or performance monitor, a Request for Proposal (RFP) shall be prepared and distributed to candidates known for their expertise in the public pension field. The Trustees may consult their legal counsel, present investment advisor or other professionals for advice on the language of the RFP. The initial screening of prospective managers and investment advisors may be performed by the Board or a committee of the Board as well as such professionals as the Board deems advisable. A short list of at least three candidates in each category the Trustees seek to fill shall be invited to make personal presentations to the Board. The Board may develop a weighted list of attributes including proposed fees to be used in making its final selection, which shall be by majority vote. All contracts for services shall be prepared by Fund counsel.



#### **4.5 CUSTODIAN**

The Board shall be authorized to use the services of a custodian who shall have custody of the assets of the Fund and who shall perform the banking functions of the Board. The custodian shall be duly licensed, insured and bonded and shall meet all requirements of Florida Statutes. The custodian shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions pertaining to assets of the Fund. All accounts, books and records relating to the Fund shall be open for inspection and audit at all reasonable times by the Town, the Board or their designees. The Trustees shall provide written instructions authorizing the custodian to accept direction as to disbursements or other Fund transactions and shall identify those individuals or officers from whom direction may be accepted. All assets shall be held in trust by the Board.

## **RULE 5**

### **PROFESSIONAL SERVICES**

The Board of Trustees has authority to retain professional advisors for assistance in the performance of its duties. In engaging professional services, the Board shall conduct an appropriate investigation into the qualifications and reputation of the applicants. While seeking competitive bids is a good general rule in the fulfillment of its fiduciary responsibility, the Board shall not be required to obtain competitive bids for professional services unless in its own discretion it shall choose to do so. All professional service providers may be terminated with or without cause. Any provision in a legal agreement, contract, or instrument which purports to relieve a fiduciary of a retirement system or plan from responsibility or liability is void as being against public policy.

#### **5.1 ACTUARIAL SERVICES**

- The Board of Trustees shall retain the services of an enrolled actuary. An enrolled actuary shall mean an actuary who is enrolled under Subtitle C of Title II of the Employment Retirement Income Security Act of 1974 (ERISA) and who is a member of the Society of Actuaries or the American Academy of Actuaries.
- An actuarial valuation shall be performed annually. All actuarial reports shall be in accordance with the Town of Davie ordinance and state law.
- The actuary shall report to the Board, on not less than an annual basis, sufficient actuarial data so that the Board may establish the adequacy of employer and

employee contribution rates. The amount of the employer contribution shall be certified in writing to the Town in accordance with provisions of the ordinance.

- No proposed change in retirement benefits shall be made without an actuarial determination of the cost impact of said change, pursuant to Chapter 112, Part VII, Florida Statutes.
- Other actuarial services shall include attendance at one or more Board meetings each year, as may be deemed appropriate by the Board, preparation of individual employee benefit statements and calculation of benefits for those leaving the plan. The actuary shall also annually review the Board's actuarial assumptions and recommend any changes.
- In order to avoid conflicts of interest in the delivery of actuarial services, the Board shall not retain actuaries who are employed by the Town of Davie, unless the Board is determined to be the client.

## **5.2 ACCOUNTING SERVICES**

The Board shall retain the services of a Certified Public Accountant who is familiar with trust fund accounting to perform an annual audit of the assets and liabilities of the Fund. The auditor shall attend at least one meeting of the Board to review the final report and discuss the findings developed in the course of the audit. The auditor shall promptly provide a complete copy of the audit report to the actuary for use in determining the current assets and future liabilities of the Fund. In addition, a copy shall be provided to the Board of Trustees, the State of Florida Department of Insurance, Board Counsel, and the custodian of the Fund's assets.

In order to avoid conflicts of interest, the Board shall not retain auditors who are employed by the Town of Davie unless the Board shall be determined to be the client.

### **5.3 ADMINISTRATIVE SERVICES**

The Board may, in its discretion, retain the services of a qualified administrative manager to assist the Trustees, members of the Fund and other professional advisors engaged by the Trustees. The Administrator shall exercise no discretionary authority or control respecting the Fund but shall serve solely at the direction of the Trustees. The Administrator shall be principally charged with assisting the Trustees in the discharge of their duties, maintaining necessary Fund records, responding to the participants' inquiries and needs for service, and public records requests made to the Fund. In order to avoid conflicts of interest, the Board shall not retain administrators who are employed by the Town of Davie.

### **5.4 LEGAL SERVICES**

- The Board shall select and appoint a general counsel who shall be licensed to practice law in the State of Florida. Such counsel shall have demonstrated experience in the area of public employee retirement systems in the State of Florida. Counsel for the Trustees or a qualified attorney from the firm shall attend all meetings of the Board, unless otherwise instructed.

- In order to avoid conflicts of interest and in recognition of the responsibilities of the Town Attorney to the Town of Davie and the potential for representing competing interests, the office of the Town Attorney may not serve in any legal capacity on the part of the Fund.
- In all dealings between its attorney and the Board, the Board shall be deemed the client rather than any individual member of the Board. All communications between the Board and its attorney shall be privileged communications except where otherwise governed by the Government in the Sunshine Law.
- The attorney shall take direction from the Board of Trustees as may be given at the various meetings of the Fund. In between meetings of the Fund, direction to the attorney shall be given by the Chairperson. All files of the Fund in the possession of the attorney shall be open for inspection by any Trustee.

## **RULE 6**

### **PAYMENT OF BENEFITS**

#### **6.1 BOARD EXAM**

The Board of Trustees is authorized by law to conduct its own physical examination in addition to or in conjunction with the Town employment physical. Employees shall, as a condition of membership in the Fund, undergo such additional physical examination as the Board shall deem appropriate. Applicants for membership in the Fund shall execute such releases as are necessary for the Board to review the results of said medical examination in the event that a member applies for a disability retirement. The examination by the Board shall be conducted by a licensed physician and the results shall be sealed unless requested by the Board.

#### **6.2 PRE-EXISTING CONDITIONS**

Any condition or impairment of health found to exist at the time of employment may not be the source of disability or death benefits under the Fund.

#### **6.3 SELECTION AND COMPENSATION OF PHYSICIANS**

The Board shall select and compensate physicians the same as any other independent contractor of the Board. All such contracts shall be in writing and approved by the Board.

#### **6.4 MAINTENANCE OF PARTICIPANTS' RECORDS**

The Board shall maintain a file for each current, terminated and retired participant. All new active employees shall be asked to provide a beneficiary designation form to be kept on file.

#### **6.5 APPLICATION FOR BENEFITS**

All applications for benefits shall be in writing on a form established by the Board. Application forms shall be maintained in the Fund office and shall be available upon request by any member. Upon receipt of an application for benefits, the Administrator shall contact the Town's payroll department to determine the employee's final day of employment and to obtain sufficient payroll data to determine the employee's pensionable compensation. The applicant's benefit options shall then be calculated and presented to the applicant for his or her election. In addition, the applicant shall be asked to furnish a Social Security card, birth certificate (or other proof of age), beneficiary's birth certificate (or other proof of age), indication of federal income tax withholding, direct deposit preference and any other matters to complete the application file. All of the pertinent information shall then be presented to the Trustees for approval. The first benefit payment shall be effective the first of the month following the member's eligibility for benefits, termination of employment and receipt of notice that the member wishes retirement benefits to begin. At the applicant's option, the latest actuarial report may be used as the basis for approving the initial benefit amount, which shall be adjusted retroactively to the retirement date when data is available to calculate the final correct benefit.



## **6.6 ADMINISTRATIVE HEARINGS**

In the event that any member of the Fund shall make a request to the Board concerning any matter other than disability, said proceeding shall be conducted in accordance with the following procedure.

- In the event that any person shall be denied membership or any benefit in the Fund, other than disability, the member shall be advised in writing of the reason for denial pursuant to Section 112.66, Florida Statutes. The member shall also be advised of the right to appeal to a full hearing before the Board. All such notices shall be by certified or registered mail.
- Should the member elect a full hearing before the Board, the member shall be advised in writing as to the time, place and date of the meeting. The member shall have the right to be accompanied by counsel and to present such witnesses and evidence as the member deems probative of the claim.
- The Chairperson shall be the presiding officer in any such hearing and shall make all rulings regarding evidence. In any such proceeding strict rules of evidence shall not apply and the Board shall be guided by general principles for the conduct of hearings under the Florida Administrative Procedures Act, Chapter 120, Florida Statutes.
- Following the close of any such hearing, the Board shall conduct a public discussion and vote either granting or denying the request of the employee. The ruling of the Board shall be reduced to writing and mailed to the member by certified mail or registered mail. Said notice shall advise the member of the motion made, the vote

and the stated reason for said vote. The letter shall also advise the member of any existing appellate rights and the time limits for said rights.

- In the event that any employee wishes to have the proceedings before the Board stenographically recorded, said recording shall be at the expense of the employee. Any notice of hearing shall advise the applicant of the right to make a stenographic record and of the applicant's responsibility to make arrangements for same.

## **6.7 PARTICIPANT INQUIRIES**

In the course of administering the Fund, the Trustees, Administrator and other providers of service to the Fund receive inquiries from members. The Board is desirous of maintaining cost control over fees charged by providers of services to the Fund. No participant is authorized to incur expenses on the part of the administrator, attorney, accountant, actuary, investment manager or performance monitor without the express approval of the Chairperson or the Board of Trustees. In the event that any such providers receive a direct inquiry from a Fund member, the inquiry shall be referred to the Chairperson or to the Board of Trustees who shall determine the appropriate response to be made. No provider of services to the Fund is authorized to bill the Fund for any services incurred in direct response to a participant inquiry without the approval of the Chairperson or the Board of Trustees.

## **6.8 NON-DISCRIMINATION**

Discrimination on the basis of color, national origin, sex or marital status shall be prohibited. As provided in Section 112.66(10), Florida Statutes benefits may be actuarially adjusted pursuant to the Ordinance when offering options based on age or early retirement.

## **RULE 7**

### **DISABILITY PROCEEDINGS**

#### **7.1 APPLICATION FOR BENEFITS**

All applications for benefits for disability retirement shall be in writing. The form of the disability application shall be uniform and established by the Board of Trustees. Applications shall be maintained by the Administrator and shall be available upon request by any member.

Each application for benefits for disability must be accompanied by a certificate of a physician or physicians of the employee's choosing as to whether the employee is permanently and totally disabled from further performance of services for the Town, and the cause of such disability. The employee's application must include a statement indicating whether the employee has asked the Town to make a reasonable accommodation under the Americans with Disabilities Act, and the Town's response thereto.

#### **7.2 MEDICAL RELEASES**

Each application for disability benefits shall be accompanied by release of medical information authorizing the Board or any of its agents to have full access to all medical records of the applicant whether or not the subject of the particular claim of disability, including Town pre-employment and post conditional offer of employment physicals given by the Town and/or the Board. In addition, all applicants shall authorize the Board of

Trustees to conduct a public discussion of the medical condition of the applicant and shall release the Board from any liability for the public discussion of the medical condition of the applicant.

### **7.3 EXAMINATION BY A PHYSICIAN**

The Board may establish a medical committee consisting of physicians of various disciplines who shall, upon request of the Board, examine applicants for disability retirement. Upon receipt of a complete application for disability retirement benefits, the Board may refer the applicant to a physician of the Board's choosing for evaluation of the applicant's medical condition. The physician appointed by the Board will review the applicant's records and examine the applicant, if necessary, and shall file a written report of his findings to the Board. The term "physician" as utilized in these rules shall mean any licensed medical doctor, or as otherwise determined by the Board. All such examinations shall be conducted at the expense of the Board.

### **7.4 PRIVATE INVESTIGATORS**

The Chairperson, after consultation with Board Counsel, shall have the authority to retain a Private Investigator to conduct surveillance on applicants for disability benefits. The Investigator shall enter into a written contract with the Chairperson on behalf of the Board which shall be reviewed by the Board's legal counsel. The contract for services shall be at a reasonable and competitive rate. The Investigator shall file a written report of the surveillance with the Chairperson upon the conclusion of the surveillance. Once the report

is filed, the Board shall be apprised of the surveillance and approve the expenditure related to the surveillance at the next Board meeting.

## **7.5 DISABILITY HEARINGS**

All questions relating to eligibility for initial payment and continuance of disability benefits will be determined by the Board. Following receipt of a completed application, the Board will consider, at a public meeting, the reports of its physician, those of the applicant's treating physician and any other statements which the applicant or his representative choose to make or present to the Board. The Board will thereafter conclude whether the employee is permanently and totally disabled within the meaning of the ordinance, and the cause of such disability. In reaching this determination, the Board may consider not only the physicians' reports presented, but can also consider the type of work that the employee is capable of performing, if any, whether the employee has requested the Town to make a reasonable accommodation for him or her under the Americans with Disabilities Act, the Town's response to such requests, and any other evidence deemed pertinent by the Board.

If the Board determines that the employee is permanently and totally disabled, it will grant the disability. If the pension application is denied following this preliminary review, the employee will be informed in writing as to the denial and the reasons therefor. The employee shall also be advised that he or she may request a full evidentiary review by the Board.

If the applicant requests such evidentiary hearing, the Board will schedule a public hearing. Written notice will be sent to the applicant, advising the applicant of the date, time and place of the hearing, and that the applicant has the right to be represented by an attorney, to present evidence and to cross-examine witnesses. The applicant will also be told that if he or she chooses to have a verbatim transcript of the hearing, the applicant will need to engage the services of a court reporter.

At the hearing, the burden of proof is on the applicant to demonstrate that he or she is entitled to a disability retirement.

At the hearing, the Board will consider the reports of the physicians, any evidence offered by the employee or employer, whether or not the employee has requested a reasonable accommodation under the Americans with Disabilities Act, and the Town's response thereto. At the hearing, the employee may call such witnesses as are deemed appropriate and shall have the right to examine or cross-examine the physician appointed by the Board. In the event that a physician cannot attend the meeting of the Board, the Board shall authorize the use of deposition testimony.

## **7.6 APPEAL PROCEDURES AND JUDICIAL REVIEW**

In the event that the Board shall deny disability benefits to an applicant, the applicant shall be informed in writing of the specific reason or reasons for the denial. The applicant shall have 30 days from the date of the written order of the Board in which to appeal the decision of the Board to the Circuit Court of the Seventeenth Judicial Circuit of Florida in and for Broward County. Said review shall be by certiorari as set forth in the Florida Rules of Appellate Procedure.



## **7.7 EFFECTIVE DATE FOR DISABILITY RETIREMENTS**

Pursuant to Section 8.03 of the Plan Document, the monthly benefit to which a Participant is entitled in the event of the Participant's disability shall be payable on the first day of the first month after the Board determines such entitlement. Provided, however, the Participant may select, at any time prior to the date on which benefit payments begin, an optional form of benefit payment as described in Article 10, Optional forms of Benefits, which shall be the Actuarial Equivalent of the normal form of benefit. The amount of the first disability payment shall include an amount payable from the date the Board determined such entitlement.

## **7.8 RE-EXAMINATION OF DISABILITY RETIREES**

Until such time as a disability retiree reaches normal retirement age, the Board may cause such disability retiree to undergo periodic physical examinations, on not more than an annual basis, to determine the continued existence of the disabling condition. Said re-examination shall be at the expense of the Board. Any disability retiree who refuses a re-examination may be subject to denial of future pension benefits. All disability retirees who are to be re-examined shall be advised in writing, by certified mail, return receipt requested of the date and time of their re-examination. Disability retirees shall be required to execute such releases as the Board shall deem necessary to conduct the medical examination and to discuss the results. In the event that a disability retiree is found to have recovered, the retiree shall be restored to employment with the Town of Davie in the same position and pay rate that the retiree would have occupied but for the disability. In such event, disability

benefits shall be terminated. In the event that a disability retiree refuses an offer of re-employment with the Town, disability benefits shall be discontinued.

## **RULE 8**

### **CODE OF ETHICS FOR TRUSTEES**

#### **8.1 PURPOSE**

This section shall set forth a code of ethical conduct for Trustees in the course of their dealings on behalf of the Fund.

#### **8.2 STANDARD**

The Trustees in all transactions shall abide by the “Prudent Person Rule” as generally recognized in the American Law of Trusts.

#### **8.3 EXISTING LAW**

The Trustees recognize that in addition to the provisions of these rules, they are governed by Florida Statutes, Chapter 112, Part III, the Code of Ethics for Public Officials and Employees, and all applicable local ordinances.

#### **8.4 CONFLICTS OF INTEREST**

No Trustee shall engage in any transaction or vote in any matter in which the Trustee shall receive any direct or indirect personal gain. This shall not include, however, employee Trustees voting on benefit increases applicable to all Fund members and beneficiaries.

## **8.5 DISCLOSURE OF CONFLICTS**

Prior to voting on any matter in which a fiduciary would reasonably believe a conflict of interest exists, the Trustee shall publicly announce the conflict and refrain from voting. The conflict statement required by law shall be recorded in the minutes of the Board meeting. In determining whether a conflict exists, Trustees shall in all actions endeavor to avoid the appearance of impropriety.

## **8.6 PRIOR COMMUNICATION WITH BENEFIT APPLICANTS**

Trustees shall not engage in prior communications with any applicant for benefits on any matter that is currently pending a hearing before the Board of Trustees. This shall not preclude Trustees from answering questions of general application to members where the information provided involves a restatement of benefits under the Trust and does not involve consideration of matters which will be presented in any evidentiary proceeding. All requests for information in conflict with this rule shall be referred in writing to the Administrator or other appropriate staff member for a written response.

## **8.6 STANDARD OF CARE**

Trustees should remain cognizant that statements regarding benefits may be relied upon by applicants to their detriment thereby creating an estoppel for the Board. Trustees in addressing benefit questions by members should clearly indicate that they are in no way capable of binding the Fund and that all questions are ultimately settled by the Board.

## **8.7 PRIOR COMMUNICATION WITH POTENTIAL CONTRACTORS**

All contacts by potential contractors shall be referred to the Administrator or to the Board.

## **8.8 COMMUNICATION WITH INVESTMENT MANAGERS**

All communications between individual Trustees and investment managers shall be for information purposes only. No individual Trustee may bind or promise any consideration on behalf of the Fund except as approved by the Board.

## **8.9 APPLICABILITY TO STAFF AND CONTRACTORS**

All staff members and contractors shall be bound by this Code of Ethics and Chapter 112 in their dealings with the Trustees and the Fund. All such persons are responsible to the Board of Trustees and Fund and not to any individual Trustee.

## **8.10 REPORTING OF GIFTS**

Any Trustee, staff or fiduciary receiving anything of value, excepting meals under \$100.00, shall disclose said gift in writing and the disclosure shall be made a part of the records of the Fund.

**ADOPTED BY THE BOARD OF TRUSTEES OF THE RETIREMENT PLAN AND TRUST  
FOR THE MANAGEMENT AND GENERAL EMPLOYEES OF THE TOWN OF DAVIE this**

\_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

ORDINANCE 2004-2

AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, PROVIDING FOR THE ESTABLISHMENT OF A RETIREMENT PLAN AND TRUST FOR THE MANAGEMENT AND GENERAL EMPLOYEES OF THE TOWN OF DAVIE; AUTHORIZING THE PARTICIPATION OF SAID PLAN AND TRUST IN THE FLORIDA MUNICIPAL PENSION TRUST FUND; PROVIDING FOR PUBLICATION; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Davie finds the long-term tenure of its employees to be in the best interests of the Town and its employees, and

WHEREAS, the Town Council finds that the establishment of a Retirement Plan and Trust for the Town of Davie Management and General employees will attract qualified individuals to the Town and can encourage long-term and continued employment with the Town of Davie; and

WHEREAS, the Town Council of the Town of Davie under the provisions of the laws of the State of Florida, is authorized to establish such a Retirement Plan and Trust for its employees; and

WHEREAS, it is the intent of the Town Council of the Town of Davie to establish such a Retirement Plan and Trust; and

WHEREAS, it is the further intent of the Town Council of the Town of Davie to authorize the participation of said plan and trust in the Florida Municipal Pension Trust Fund.

NOW, THEREFORE, BE IT ENACTED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE

Section 1. A Retirement Plan and Trust for the Town of Davie Management and General Employees is hereby established, effective October 1, 2003. The instrument which represents the terms of said Plan and Trust will be and remain an exhibit to this Ordinance, remanded to the custody of the Town representative who will maintain such for public inspection.

Section 2. The Town Council of the Town of Davie shall have the power to amend said Plan and Trust at such time or times as considered in the best interest of the Town and its employees.

Section 3. The Town Council of the Town of Davie hereby expressly authorizes the participation of said Plan and Trust in the Florida Municipal Pension Trust Fund and hereby authorizes the administration of said Plan and Trust, and the investment of funds of said Plan and Trust, within the procedures, policies and methods outlined in the Fund's Master Trust Agreement.

Section 4. The Town Council of the Town of Davie hereby empowers the Mayor of the Town with the authority to execute such documents and agreements as are required for participation in the Florida Municipal Pension Trust Fund.



Section 5. This Ordinance shall remain in full force and effect until supplemented, amended, repealed or otherwise altered.

Section 6. This Ordinance shall be published as required by the Code of the Town of Davie

Section 7. This Ordinance hereby repeals all Ordinances in conflict herewith.

Section 8. This Ordinance shall take effect October 1, 2003

PASSED ON FIRST READING THIS 17<sup>th</sup> DAY OF December, 2003

PASSED ON SECOND AND FINAL READING THIS 7<sup>th</sup> DAY OF January, 2004

  
\_\_\_\_\_  
MAYOR/COUNCIL MEMBER

ATTEST:

  
\_\_\_\_\_  
TOWN CLERK

PASSED AND ADOPTED THIS 7<sup>th</sup> DAY OF January, 2004

**TRUST JOINDER AGREEMENT  
FOR DEFINED BENEFIT PLANS UNDER  
FLORIDA MUNICIPAL PENSION TRUST FUND  
MASTER TRUST AGREEMENT**

**THIS TRUST JOINDER AGREEMENT**, between the Town of Davie, Florida (herein referred to as the "Participating Employer") and the Master Trustees of the Florida Municipal Pension Trust Fund (herein referred to as the "Master Trustee").

**WITNESSETH:**

**WHEREAS**, the Participating Employer desires to provide a defined benefit plan for the sole and exclusive benefit of its Participating Employees and their Beneficiaries, and for such purposes adopted by Ordinance No. 2004-2 on the 7<sup>th</sup> day of January, 2004 providing for the establishment of a defined benefit plan;

**WHEREAS**, said Ordinance authorizes participation in the Florida Municipal Pension Trust Fund ("FMPTF") and further authorizes the execution of this Trust Joinder Agreement to become a party to the FMPTF Master Trust Agreement; and

**WHEREAS**, the Participating Employer desires to submit this Trust Joinder Agreement to the Master Trustee to become a party to the FMPTF Master Trust Agreement;

**THEREFORE**, in consideration of the mutual covenants and agreements flowing to each of the parties hereto, it is agreed as follows:

1. Both parties to this Trust Joinder Agreement agree that the Town of Davie, Florida is a Participating Employer as provided in the Florida Municipal Pension Trust Fund Master Trust Agreement ("Master Trust Agreement").
2. As provided in the plan provisions selected by the Participating Employer, the Participating Employer shall make timely contributions or shall timely forward contributions made by Participating Employees for the defined benefit plan.
3. As provided in the plan provisions selected by the Participating Employer, the Participating Employer shall timely remit or timely approve the remittance of administrative fees as may be due under the defined benefit plan.
4. The Participating Employer agrees to provide all initial and update all relevant Participating Employee information required under the defined benefit plan to the Administrator designated by the Master Trustee. The Participating Employer shall certify said information to be correct to the best of its knowledge and the Master Trustee and the Administrator shall have the right

to rely on the accuracy of said information in performing contractual responsibilities.

5. The Participating Employer has the responsibility to provide the Administrator designated by the Master Trustee, in a timely manner, all information concerning Participating Employee termination. The Participating Employer shall certify said information to be correct to the best of its knowledge and the Master Trustee and the Administrator shall have the right to rely on the accuracy of said information in performing contractual responsibilities.
6. The parties to this Trust Joinder Agreement agree to abide by and be bound by the terms, duties, rights and obligations of the parties as set forth in the Florida Municipal Pension Trust Fund Master Trust Agreement, as may be amended by the Master Trustees, which is attached hereto and is made a part of this Trust Joinder Agreement.
7. Either party may terminate this Trust Joinder Agreement by giving at least 60 days notice in writing to the other party. Any termination shall be governed by the provisions of the Florida Municipal Pension Trust Fund Master Trust Agreement and the plan document for the defined benefit plan.

**IN WITNESS WHEREOF**, the Participating Employer has caused this Trust Joinder Agreement to be executed and the signature of its authorized officer affixed this 7<sup>th</sup> day of January, 2004.

TOWN OF DAVIE

BY: \_\_\_\_\_

Signature

Tom TRUEX, Mayor  
(Name and Title)

ATTEST:

[Signature]

DATE:

January 7, 2004

FLORIDA MUNICIPAL PENSION TRUST FUND

BY: \_\_\_\_\_

Secretary - Treasurer

ORDINANCE NO. 2006-21

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE RETIREMENT PLAN AND TRUST FOR THE MANAGEMENT AND GENERAL EMPLOYEES; AMENDING THE DEFINITION OF MANAGEMENT EMPLOYEE TO EXCLUDE DEPUTY AND ASSISTANT FIRE AND POLICE CHIEFS; PROVIDING FOR CONTINUATION OF EXISTING MEMBERS; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town recently established the Retirement Plan and Trust for Management and General Employees;

WHEREAS, the Management and General Employee plan defines management employee as including deputy or assistant, police and fire chiefs;

WHEREAS, deputy or assistant, police and fire chiefs are required by state law to be members of the appropriate Chapter 175 and 185 police and firefighter pension plan; and

WHEREAS, placing deputy or assistant fire chiefs into the Town of Davie Firefighter Pension Plan will put the Town back into compliance with State law.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, THAT:

Section 1: Section 1.18.1 of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie is hereby amended to read as follows:

**ARTICLE 1. Definitions.**

**1.18.1 "Management Employee":**

shall mean town administrator, assistant or deputy town administrator, directors, the police and fire chief, ~~deputy or assistant police or fire chief~~, town clerk, deputy or assistance town clerk, redevelopment administrator and deputy or assistant directors.

Any deputy or assistant fire chief or police chief who was placed into the Retirement Plan and Trust for Management and General Employees (hereinafter "Continued Public Safety Officers") prior to December 31, 2005 shall have their rights preserved in the Management and General Employee Plan. Following the adoption of this ordinance, service credit for Continued Public Safety Officers shall be computed and provided to the Town of Davie Firefighter Pension Plan and Police Pension Plan, as appropriate. The Town of Davie Firefighter Pension Plan and Police Plan, as appropriate, shall award service credit to Continued Public Safety Officers based on all service earned under the Management and General Employee Plan as a public safety officer.

Although Continued Public Safety Officers shall be permitted to remain members of the Retirement Plan and Trust for Management and General Employees, benefits received from the Management and General Employees Plan shall be offset against benefits paid

under the Firefighter or Police Plan. If a Continued Public Safety Officer vests in the Retirement Plan and Trust for Management and General Employees but fails to vest in the Firefighter or Police Plan, the Continued Public Safety Officer shall receive full benefits from the Retirement Plan and Trust for Management and General Employees. Under no circumstances shall a Continued Public Safety Officer receive duplication of benefits.

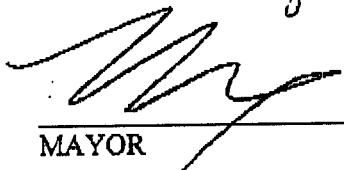
Section 2: If any clause, section, or other part or application of this Ordinance shall be held in any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and shall not affect the validity of the remaining portions or applications which shall remain in full force and effect.

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

Section 4: This Ordinance shall become effective as of August 3, 2006.

PASSED ON FIRST READING THIS 19<sup>th</sup> DAY OF July, 2006

PASSED ON SECOND READING THIS 2<sup>nd</sup> DAY OF August, 2006

  
MAYOR

Attest:

  
Town Clerk

APPROVED THIS 2<sup>nd</sup> DAY OF August 2006

Coding:

Words in stricken type are deletions from existing text.  
Words in underline type are additions.

**ORDINANCE NO. 2008-22**

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL EMPLOYEES; AMENDING THE DEFINITION OF MANAGEMENT EMPLOYEE TO PERMIT THE FIRE CHIEF OR POLICE CHIEF TO TRANSFER SERVICE FROM THE POLICE OR FIRE PLAN; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town recently established the Retirement Plan and Trust for Management and General Employees;

WHEREAS, the Management and General Employee plan defines management employee as including the police and fire chiefs;

WHEREAS, deputy police and fire chiefs are required by state law to be members of the appropriate Chapter 175 and 185 police and firefighter pension plans, but the Fire Chief and Police Chief are not; and

WHEREAS, allowing the Fire Chief and Police Chief to elect to join the Management Plan is permitted by Chapters 175 and 185.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, THAT:

Section 1: Section 1.18.1 of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie is hereby amended to read as follows:

**ARTICLE 1. Definitions.**

**1.18.1 "Management Employee":**

shall mean town administrator, assistance or deputy town administrator, directors, the police and fire chief, town clerk, deputy or assistance town clerk, redevelopment administrator and deputy or assistant directors.

Any deputy or assistant fire chief or police chief who was placed into the Retirement Plan and Trust for Management and General Employees (hereinafter "Continued Public Safety Officers") prior to December 31, 2005 shall have their rights preserved in the Management and General Employee Plan. Following the adoption of this ordinance, service credit for Continued Public Safety Officers shall be computed and provided to the Town of Davie Firefighter Pension Plan and Police Pension Plan, as appropriate. The Town of Davie Firefighter Pension Plan and Police Plan, as appropriate, shall award service credit to Continued Public Safety Officers based on all service earned under the Management and General Employee Plan as a public safety officer.

Although Continued Public Safety Officers shall be permitted to remain members of the Retirement Plan and Trust for Management and General Employees, benefits received from the Management and General Employees Plan shall be offset against benefits paid

under the Firefighter or Police Plan. If a Continued Public Safety Officer vests in the Retirement Plan and Trust for Management and General Employees but fails to vest in the Firefighter or Police Plan, the Continued Public Safety Officer shall receive full benefits from the Retirement Plan and Trust for Management and General Employees. Under no circumstances shall a Continued Public Safety Officer receive duplication of benefits.

OPTIONAL TRANSFER RIGHTS OF POLICE OR FIRE CHIEF: Any firefighter or police officer who is promoted to the rank of Fire Chief or Police Chief shall have the option, pursuant to Sections 175.032(8) and 185.02(11), Fla.Stat., to transfer the accrued actuarial present value of their firefighter or police pension benefit to the Town's Retirement Plan and Trust Fund for Management and General Employees (the "Management Plan") prior to separation from service. Following the transfer of funds from the respective public safety plan, the Fire or Police Chief shall receive credited service in the Management Plan corresponding to the credited service surrendered from the public safety plan. Any election by the Fire Chief or Police Chief to transfer into the Management Plan shall be made in writing and shall acknowledge that the transfer results in the surrender of all rights and benefits under the Firefighter or Police plans.

Section 2: If any clause, section, or other part or application of this Ordinance shall be held in any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and shall not affect the validity of the remaining portions or applications which shall remain in full force and effect.

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

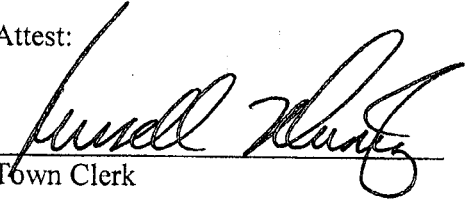
Section 4: This Ordinance shall become effective as of June 18, 2008.

PASSED ON FIRST READING THIS 4<sup>th</sup> day of June, 2008.

PASSED ON SECOND READING THIS 18<sup>th</sup> day of June, 2008.

  
Mayor/Councilmember

Attest:

  
Town Clerk

APPROVED THIS 18<sup>th</sup> DAY OF June, 2008

Coding: Words in stricken type are deletions from existing text.  
Words in underline type are additions.

## **TOWN OF DAVIE TOWN COUNCIL AGENDA REPORT**

**TO:** Mayor and Councilmembers

**FROM/PHONE:** Kenneth Cohen, Assistant Town Administrator/797-1030

**PREPARED BY:** William W. Ackerman, CPA, Budget & Finance Director

**SUBJECT:** Ordinance

**AFFECTED DISTRICT:** N/A

**ITEM REQUEST:** **Schedule for Council Meeting**

**TITLE OF AGENDA ITEM:** RETIREMENT PLAN AMENDMENT - AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL EMPLOYEES; AMENDING THE DEFINITION OF MANAGEMENT EMPLOYEE TO PERMIT THE FIRE CHIEF OR POLICE CHIEF TO TRANSFER SERVICE FROM THE POLICE OR FIRE PLAN; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE. {Approved on First Reading June 4, 2008. The vote was as follows: Mayor Truex - yes; Vice Mayor Luis - absent; Councilmember Starkey - yes; Councilmember Caletka - no; Councilmember Crowley - yes}

**REPORT IN BRIEF:** The attached ordinance will give any firefighter or police officer who is promoted to the rank of Davie Fire Chief or Police Chief to have the option to transfer the accrued actuarial present value of their firefighter or police pension benefit to the Town's Retirement Plan and Trust Fund for Management and General Employees prior to separation from service. Following the transfer of funds from the respective public safety plan, the Fire or Police Chief shall receive credited service in the Management Plan corresponding to the credited service surrendered from the public safety plan. Any election made by the Fire Chief or Police Chief to transfer into the Management Plan shall be made in writing and shall acknowledge that the transfer results in the surrender of all rights and benefits under the Firefighter or Police plans.

**PREVIOUS ACTIONS:** Town Council previously amended the plan document via Ordinance number 2007-01 on January 3, 2007.

**CONCURRENCES:** The attached ordinance has been forwarded to the Town's pension attorney for review.

**FISCAL IMPACT:** not applicable

Has request been budgeted? n/a

**RECOMMENDATION(S):** Motion to approve the ordinance

**Attachment(s):** Ordinance



ORDINANCE NO. 2008-36

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL EMPLOYEES; AMENDING ADOPTION AGREEMENT SECTION E(3)(d) TO PERMIT PROMOTED MANAGERIAL EMPLOYEES TO UPGRADE THEIR PRIOR GENERAL EMPLOYEE SERVICE BY PAYING THE FULL ACTUARIAL COST OF SUCH SERVICE; AMENDING ADOPTION AGREEMENT SECTION G(3) REGARDING THE CALCULATION OF PENSION BENEFITS FOR GENERAL EMPLOYEE MEMBERS WHO ARE PROMOTED TO MANAGERIAL POSITIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in 2004 the Town established a Retirement Plan and Trust for Management and General Employees;

WHEREAS, the Management and General Employee contains different benefits for general and management employees;

WHEREAS, the Board of Trustees of the Plan has recommended amendment of the plan to specifically address the treatment of General Employee service for members who have been promoted into Managerial positions;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, THAT:

Section 1: Paragraph E(3)(d) of the Adoption Agreement of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie is hereby amended to read as follows:

E. CREDITED SERVICE

\*\*\*

(d) Management Employees who have been promoted from a General Employee position: If a Management Employee, as defined by Section 1.18.1, previously purchased credited service prior to being promoted, the Management Employee shall be provided the opportunity to pay the additional full actuarial cost to upgrade the prior service in order to obtain the Management Employee benefit corresponding to the prior service.

Section 2: Paragraph G(3) of the Adoption Agreement of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie is hereby amended to read as follows:

G. BENEFIT AMOUNTS AND ELIGIBILITY

\*\*\*

G(3) Benefit for Management Employees who have been Promoted from a General Employee Position:

Effective October 1, 2008, Management Employees, as defined by Section 1.18.1, who have been promoted from a General Employee position shall be entitled to all Management Employee benefits, except that all prior service as a General Employee shall be treated as General Employee Service, rather than Management Employee Service for benefit calculation purposes. In such event, Average Final Compensation for calculating the General Employee component of the benefit shall be defined as 1/12 of the highest average earnings during the three (3) best years of creditable service.

Section 3: The instrument which represents the terms of said Plan and Trust will be and remain an exhibit to this Ordinance, remanded to the custody of the Town representative who will maintain such for public inspection.

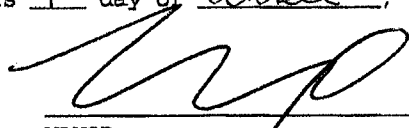
Section 4: If any clause, section, or other part or application of this Ordinance shall be held in any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and shall not affect the validity of the remaining portions or applications which shall remain in full force and effect.

Section 5: All ordinances or parts of ordinances, resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

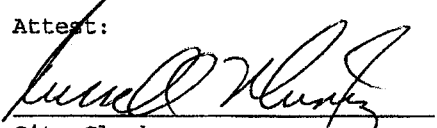
Section 6: This Ordinance shall become effective as of October 1, 2008.

PASSED on first reading by the Town Council of the Town of Davie, Florida, this 17<sup>th</sup> day of September, 2008.

PASSED AND ADOPTED on the second reading by the Town Council of the Town of Davie, Florida, this 1<sup>st</sup> day of October, 2008.

  
\_\_\_\_\_  
MAYOR

  
\_\_\_\_\_  
VICE MAYOR

Attest:  
  
\_\_\_\_\_  
City Clerk

Coding: Words in stricken type are deletions from existing text.  
Words in underline type are additions.

# **TOWN OF DAVIE TOWN COUNCIL AGENDA REPORT**

**TO:** Mayor and Councilmembers  
**FROM/PHONE:** Gary P. Shimun, Town Administrator  
**PREPARED BY:** Russell C. Muniz, CMC, MBA, CPPT, Town Clerk  
**SUBJECT:** Ordinance

**AFFECTED DISTRICT:** Town-Wide

**ITEM REQUEST:** Schedule for Council Meeting

**TITLE OF AGENDA ITEM:** PLAN AMENDMENT - AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL EMPLOYEES; AMENDING ADOPTION AGREEMENT SECTION E (3)(d) TO PERMIT PROMOTED MANAGERIAL EMPLOYEES TO UPGRADE THEIR PRIOR GENERAL EMPLOYEE SERVICE BY PAYING THE FULL ACTUARIAL COST OF SUCH SERVICE; AMENDING ADOPTION AGREEMENT SECTION G(3) REGARDING THE CALCULATION OF PENSION BENEFITS FOR GENERAL EMPLOYEE MEMBERS WHO ARE PROMOTED TO MANAGERIAL POSITIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE.

**REPORT IN BRIEF:** The Town's Managerial and General Employees Pension plan provides a two-tiered structure for the calculation of retirement benefits. The current plan language makes no distinction for the calculation of retirement benefits when general employees are promoted into the managerial level, as defined by the plan. This ordinance seeks to address this scenario and would also provide that any general employees who are promoted into the management level, as defined by the plan, would be able to upgrade their prior general employee service by paying the full actuarial cost of such service.

**PREVIOUS ACTIONS:** Council approved the item on first reading September 17, 2008. Ordinance 2004-002 established the Management and General Employees pension plan.

**CONCURRENCES:**

**FISCAL IMPACT:** No

Has request been budgeted? n/a

**RECOMMENDATION(S):**

**Attachment(s):** Motion to approve the ordinance.

ORDINANCE NO. 2009-11

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL EMPLOYEES; AMENDING ADOPTION AGREEMENT SECTION E2) b) AND E3) b) TO PERMIT THE PURCHASE OF PRIOR SERVICE WITHIN THE FIRST FIVE YEARS OF EMPLOYMENT; AMENDING ADOPTION AGREEMENT SECTION M(a) TO REMOVE THE THREE MONTH WINDOW TO ELECT DROP PARTICIPATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in 2004 the Town established a Retirement Plan and Trust for Management and General Employees;

WHEREAS, the Management and General Employee contains different benefits for general and management employees;

WHEREAS, the Board of Trustees of the Plan has recommended amendment of the plan to specifically address the treatment of General Employee service for members who have been promoted into Managerial positions;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, THAT:

Section 1. Paragraphs E2) b) and E3) b) of the Adoption Agreement of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie are hereby amended to read as follows:

E. CREDITED SERVICE

E2) Option of Purchasing Prior Credited Service

Credited service shall also include credited service purchased by a member in accordance with this section:

b) Participants with a hire date after October 1, 2003, may purchase up to five (5) additional years of credited service at any time within the first five (5) years of employment, ~~before completing twelve (12) months of service with the Town of Davie~~; provided the member has paid into the plan ~~prior to completing twelve (12) months of service~~, the full actuarial cost of such credited service as determined by the plan actuary. No additional service credit will be allowed if the participant is receiving or will receive any other retirement benefit based on the prior government service.

### E3) REPRESENTED GENERAL EMPLOYEES

b) Participants with a hire date after October 1, 2006, may purchase up to five (5) additional years of credited service, within the first five (5) years of employment ~~at any time before completing twelve (12) months of service~~ with the Town of Davie; provided the member has paid into the plan ~~prior to completing twelve (12) months of service~~; the full actuarial cost of such credited service as determined by the plan actuary. No additional service credit will be allowed if the participant is receiving or will receive any other retirement benefit based on the prior government service.

Section 2: Paragraphs M(a) of the Adoption Agreement of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie is hereby amended to read as follows:

#### M. DEFERRED RETIREMENT OPTION PROGRAM - "DROP"

(a) Eligibility of member to participate in the DROP.

Effective October 1, 2003, ~~A~~all active members are eligible to elect participation in the DROP provided that:

Election to participate is made ~~within three (3) months immediately~~ following the date on which the member first reaches Normal Retirement Eligibility Date, ~~or, for a member who reaches Normal Retirement Date based on service. A member who fails to make an election within such 3 month limitation period shall forfeit all rights to participate in the DROP.~~ The member shall advise the Board, in writing of the date on which the DROP shall begin. Such beginning date ~~may be subsequent to the 3 month election period, but must be within the 60-month limitation period as provided in subparagraph (b)1.~~

Section 3. The instrument which represents the terms of said Plan and Trust will be and remain an exhibit to this Ordinance, remanded to the custody of the Town representative who will maintain such for public inspection.

Section 4. If any clause, section, or other part or application of this Ordinance shall be held in any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and shall not affect the validity of the remaining portions or applications which shall remain in full force and effect.

Section 5. All ordinances or parts of ordinances, resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

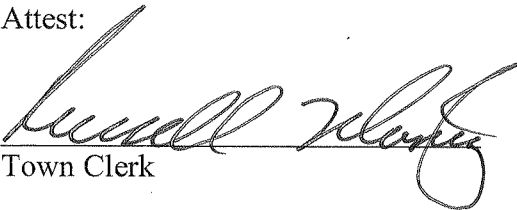
Section 6. This Ordinance shall become effective immediately upon adoption, unless otherwise provided.

PASSED ON FIRST READING THIS 21<sup>st</sup> DAY OF January, 2009.

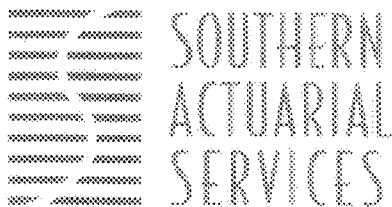
PASSED ON SECOND READING THIS 1<sup>st</sup> DAY OF April, 2009.

  
MAYOR/COUNCILMEMBER

Attest:

  
Town Clerk

Approved this 1<sup>st</sup> day of April, 2009.



Post Office Box 888743  
Atlanta, Georgia 30358-0743  
Telephone 770.392.0900  
Facsimile 770.392.2193  
www.southernactuarial.com

March 7, 2009

Trustees of the Retirement Plan for the Employees of the Town of Davie  
c/o Mr. Paul Shannon  
Retirement Programs Manager  
Florida League of Cities, Inc.  
P. O. Box 1757  
Tallahassee, FL 32302

Re: Retirement Plan for the Employees of the Town of Davie

Ladies and Gentlemen:

In response to your request, I have reviewed the proposed ordinance that does the following:

- (1) With respect to participants who are hired after October 1, 2003, extends the period for purchasing up to five years of additional credited service at full actuarial cost from 12 months to five years after initial employment, and
- (2) Extends the period for electing participation in the Deferred Retirement Option Program (DROIP) from three months following normal retirement date to 60 months following normal retirement date.

I have determined that the changes made by the proposed ordinance will have no actuarial impact on subject plan.

If you have any questions, please do not hesitate to call me.

Sincerely,

Charles E. Carr  
Consulting Actuary

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Our Office is located at 3069 Avenue Road, Suite 7, Atlanta, Georgia 30360



# **TOWN OF DAVIE TOWN COUNCIL AGENDA REPORT**

**TO:** Mayor and Councilmembers

**FROM/PHONE:** Grace Hall, Chairperson, Management and General Employee Pension/797-1004

**PREPARED BY:** Stuart Kaufman, Pension Attorney

**SUBJECT:** Ordinance

**AFFECTED DISTRICT:** N/A

**ITEM REQUEST:** **Schedule for Council Meeting**

**TITLE OF AGENDA ITEM:** RETIREMENT PLAN AMENDMENT - AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL EMPLOYEES; AMENDING ADOPTION AGREEMENT SECTION E2) b) AND E3) b) TO PERMIT THE PURCHASE OF PRIOR SERVICE WITHIN THE FIRST FIVE YEARS OF EMPLOYMENT; AMENDING ADOPTION AGREEMENT SECTION M(a) TO REMOVE THE THREE MONTH WINDOW TO ELECT DROP PARTICIPATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE.

**REPORT IN BRIEF:** The attached ordinance provides a technical amendment to the Defined Benefit Plan as follows: 1) to extend the time period for the purchase of prior service to within the first five years of employment rather than only one year; 2) remove the three month window to elect DROP participation in the plan. There is no cost to the plan related to these changes.

**PREVIOUS ACTIONS:** Town Council previously approved Ordinance O-2007-001 on January 3, 2007 amending the plan.

**CONCURRENCES:**

**FISCAL IMPACT:** not applicable

Has request been budgeted? n/a

**RECOMMENDATION(S):** Motion to approve ordinance

**Attachment(s):** Ordinance

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**ORDINANCE NO. 2012-5**

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL EMPLOYEES; AMENDING SECTION 1.25 OF THE PLAN AND ADOPTION AGREEMENT SECTION D TO REVISE THE DEFINITION OF SALARY/COMPENSATION TO COMPLY WITH THE REQUIREMENTS OF CHAPTER 2011-216, LAWS OF FLORIDA; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in 2004 the Town established a Retirement Plan and Trust for Management and General Employees (hereinafter the "Pension Plan");

WHEREAS, the Florida Legislature adopted Chapter 2011-216, Laws of Florida, governing municipal pension plans.

WHEREAS Chapter 2011-216 provides that municipal pensionable earnings may no longer include (1) in excess of 300 hours of overtime and (2) accrued unused annual or sick leave accrued after the applicable effective date;

WHEREAS, the Pension Plan is required to be amended to comply with Chapter 2011-216 for Management and Non-represented General Employees at this time;

WHEREAS, future amendments will be required at such time as applicable provisions are bargained for represented members;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, THAT:

Section 1:     Section 1.25 of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie and Adoption Agreement Section D are hereby amended to read as follows:

**1.25    "Salary/Compensation":**

Salary means the total cash remuneration paid to an employee for services rendered. Total cash remuneration for Management and Non-represented members shall exclude the following: 1) overtime in excess of 300 hours and 2) accrued unused annual or sick leave ("accumulated leave") in excess of the hours accrued by the Management or Non-represented member as of June 30, 2011 (hereinafter the "effective date"). The number of hours of accumulated leave used to calculate pension benefits for Management and Non-represented members shall be the lesser of the number of hours of accumulated leave on the effective date and the number of hours of accumulated leave on the member's retirement date.

Section 2:     The instrument which represents the terms of said Plan and Trust will be and remain an exhibit to this Ordinance, remanded to the custody of the Town representative who will maintain such for public inspection.

Section 3:     If any clause, section, or other part or application of this Ordinance shall be held in any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or

invalid part or application shall be considered as eliminated and shall not affect the validity of the remaining portions or applications which shall remain in full force and effect.

Section 4: All ordinances or parts of ordinances, resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

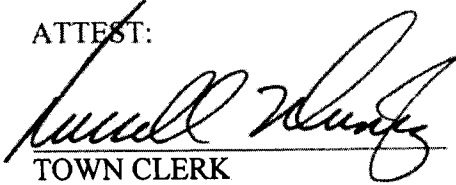
Section 5: This Ordinance shall become effective retroactive to June 30, 2011.

PASSED ON FIRST READING THIS 18<sup>th</sup> DAY OF January, 2012

PASSED ON SECOND READING THIS 15<sup>th</sup> DAY OF February, 2012

  
MAYOR/COUNCILMEMBER

ATTEST:

  
TOWN CLERK

APPROVED THIS 15<sup>th</sup> DAY OF February, 2012

Coding: Words in stricken type are deletions from existing text.  
Words in underline type are additions.

ORDINANCE NO. 2013-18

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL EMPLOYEES; AMENDING ADOPTION AGREEMENT SECTION F TO REVISE THE DEFINITION OF AVERAGE FINAL COMPENSATION; AMENDING ADOPTION AGREEMENT SECTION G TO REVISE BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING ADOPTION AGREEMENT SECTION H TO REVISE ELIGIBILITY FOR DISABILITY BENEFITS; AMENDING ADOPTION AGREEMENT SECTION I TO REVISE ELIGIBILITY FOR DEATH BENEFITS; AMENDING ADOPTION AGREEMENT SECTION J TO REVISE VESTING CRITERIA; AMENDING ADOPTION AGREEMENT SECTION K TO PROVIDE FOR MEMBER CONTRIBUTIONS; AMENDING ARTICLE 1 OF THE PLAN AND TRUST, TO REVISE THE DEFINITION OF AVERAGE FINAL COMPENSATION AND SALARY/COMPENSATION; AMENDING ARTICLE 9 OF THE PLAN AND TRUST, TO REVISE VESTING CRITERIA; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in 2004 the Town established a Retirement Plan and Trust for Management and General Employees;

WHEREAS, the Adoption Agreement authorizes the Town to amend any election under the Adoption Agreement by giving the Trustee written notification of such Amendment as adopted;

WHEREAS, Section 18.09 of the Plan and Trust authorizes the Town to amend the Plan and Trust by giving the Trustee written notification of such Amendment as adopted;

WHEREAS, the Town has negotiated certain changes to retirement benefits;

WHEREAS, in order to implement the changes to retirement benefits for Managerial and General Employees, it is necessary to amend the Plan and Trust and the Adoption Agreement;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, THAT:

Section 1. Section (F) of the Adoption Agreement of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie is hereby amended to read as follows:

**F. AVERAGE FINAL COMPENSATION**

For General Employees, one-twelfth of the highest average earnings during the five best years of creditable service prior to separation as an active member or the career average, whichever is greater.

For Management Employees, one-twelfth of the highest average earnings during the three best years of creditable service prior to separation as an active member or the career average, whichever is greater.

For all members hired on or after October 1, 2013, one-twelfth of the highest average earnings during the six best years of creditable service prior to separation as an active member or the career average, whichever is greater.

Section 2. Section (G) of the Adoption Agreement of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie is hereby amended to read as follows:

**G. BENEFIT AMOUNTS AND ELIGIBILITY (Section 6)**

**G1) Normal Retirement Date (Section 6.01):**

The normal retirement date for a plan member shall be the first day of the month coincident with, or next following attainment of age:

For General Employees, the Normal Retirement Date is attainment of age sixty (60) and six (6) years of Vested Service or age fifty-six (56) and thirty (30) years of Vested Service.

For Management Employees, the Normal Retirement Date is attainment of age fifty-two (52) and three (3) years of Vested Service or age forty-eight (48) and twenty (20) years of Vested Service.

For all members hired on or after October 1, 2013, the normal retirement date is attainment of age sixty-five (65) with ten (10) years of credited service or thirty (30) years of Vested Service and age sixty (60).

**G2) Normal Retirement Benefit (Section 6.02):**

The monthly retirement benefit shall be a single life annuity equal to:

For General Employees, the Normal Retirement Benefit shall be a monthly benefit equal to the number of years of Credited Service multiplied by Average Final Compensation and multiplied by two percent (2%).

For Management Employees, the Normal Retirement Benefit shall be a monthly benefit equal to the number of years of Credited Service multiplied by Average Final Compensation and multiplied by three (3%) percent.

For all members hired on or after October 1, 2013, the Normal Retirement Benefit shall be a monthly benefit equal to the number of years of Credited Service multiplied by Average Final Compensation and multiplied by one and eight-tenths percent (1.8%).

Section 3. Section (H) of the Adoption Agreement of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie is hereby amended to read as follows:

**H. DISABILITY BENEFITS (Section 8)**

**H1) Disability Benefits (Section 8.01):**

\* \* \*

All members hired on or after October 1, 2013 who have completed ten (10) years of Vested Service, that are deemed by the Board to be the totally and permanently disabled will receive their Accrued Benefit with a minimum of ten (10) years of Credited Service. If a member hired on or after October 1, 2013 has less than ten (10) years of Vested Service, they will receive a return of their employee contributions, if applicable, with six percent (6%) interest.

Section 4. Section (I) of the Adoption Agreement of the Retirement Plan and Trust for the

Management and General Employees of the Town of Davie is hereby amended to read as follows:

**I. DEATH BENEFITS**

**(1) DEATH BENEFITS – Prior to Vesting**

\* \* \*

If any member hired on or after October 1, 2013 dies prior to Normal Retirement Date, and has less than ten (10) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

**(2) DEATH BENEFITS – After Vesting**

\* \* \*

If any member hired on or after October 1, 2013 dies prior to Normal Retirement Date, and has completed ten (10) or more years of Vested Service, the beneficiary shall receive the benefit otherwise payable to the member at the member's Normal Retirement Date.

Section 5. Section (J) of the Adoption Agreement of the Retirement Plan and Trust for the

Management and General Employees of the Town of Davie is hereby amended to read as follows:

**J. TERMINATION OF EMPLOYMENT AND VESTING**

If a member's employment is terminated either voluntarily or involuntarily, the following benefits are payable:

\* \* \*

If a Management Employee has three (3) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal retirement date, provided he does not elect to withdraw his contributions and provided he survives to his normal or early retirement date.

For all members hired on or after October 1, 2013, if a member has less than ten (10) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution with six percent (6%) interest or the member may leave it deposited with the Fund pending future employment with the Town of Davie.

For all members hired on or after October 1, 2013, if a member has ten (10) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal retirement date, provided he does not elect to withdraw his contributions and provided he survives to his normal or early retirement date.

Section 6. Section (K) of the Adoption Agreement of the Retirement Plan and Trust for the

Management and General Employees of the Town of Davie is hereby amended to read as follows:



## **K. EMPLOYEE CONTRIBUTIONS (Section 5.01):**

### **No Employee Contributions-K1) Employee Contribution Rates:**

Effective the first full pay period on or after the ratification date of the 2012-2015 General Employees Collective Bargaining Agreement, all active members shall make regular contributions to the trust fund at a rate equal to one percent (1%) of salary.

Effective the first full payroll after October 1, 2013, all active members shall make regular contributions to the trust fund at a rate equal to one and one-half percent (1.5%) of salary.

Effective the first full payroll after October 1, 2014, all active members shall make regular contributions to the trust fund at a rate equal to two and one-half percent (2.5%) of salary.

Notwithstanding any other provision of this section (K), all active members hired on or after October 1, 2013 shall make regular contributions to the trust fund at a rate equal to three percent (3%) of salary.

### **K2) Picked Up Contributions:**

The Town shall pick up the employee contributions required by subsection K1) above for all salary earned after October 1, 2013. The contributions so picked up shall be treated as contributions being paid by the employer in lieu of contributions by the employee in determining tax treatment under the United States Internal Revenue Code. Employee contributions picked up by the Town pursuant to this subsection shall be treated for all other purposes as employee contributions.

Section 7. Section 1.06 and 1.25 of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie is hereby amended to read as follows:

## **ARTICLE 1. Definitions**

### **1.06 "Average Final Compensation":**

For General Employees, one-twelfth of the highest average earnings during the five best years of creditable service prior to separation as an active member or the career average, whichever is greater.

For Management Employees, one-twelfth of the highest average earnings during the three best years of creditable service prior to separation as an active member or the career average, whichever is greater.

For all members hired on or after October 1, 2013, one-twelfth of the highest average earnings during the six best years of creditable service prior to separation as an active member or the career average, whichever is greater.

### **1.25 "Salary/Compensation":**

Salary means the total cash remuneration paid to an employee for services rendered. Total cash remuneration for Management and Non-represented members shall exclude the following: 1) overtime in excess of 300 hours and 2) accrued unused annual or sick leave ("accumulated leave") in

excess of the hours accrued by the Management or Non-represented member as of June 30, 2011 (hereinafter the "effective date"). The number of hours of accumulated leave used to calculate pension benefits for Management and Non-represented members shall be the lesser of the number of hours of accumulated leave on the effective date and the number of hours of accumulated leave on the member's retirement date.

Total cash remuneration for Represented General members shall exclude the following: 1) overtime in excess of 300 hours and 2) accrued unused annual or sick leave ("accumulated leave") in excess of the hours accrued by the Represented General member as of September 30, 2012 (hereinafter the "effective date"). The number of hours of accumulated leave used to calculate pension benefits for Represented General members shall be the lesser of the number of hours of accumulated leave on the effective date and the number of hours of accumulated leave on the member's retirement date.

Section 8. Section 9(A) of the Retirement Plan and Trust for the Management and General

Employees of the Town of Davie is hereby amended to read as follows:

#### **ARTICLE 9. Vesting**

If a Participant terminates his employment with the Employer for reasons other than retirement, disability or death, the Participant shall be entitled to the following:

(A) If the Participant has less than the number of years of Vested Service specified in the Adoption Agreement – Section J, Termination of Employment and Vesting, the Participant shall be entitled to the following:

\* \* \*

(5) If any member (regardless of classification) hired on or after October 1, 2013 has less than ten (10) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contributions with six percent (6%) interest, or the member may leave it deposited with the Fund pending future employment with the Town of Davie.

(6) If any member (regardless of classification) hired on or after October 1, 2013 has ten (10) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided he does not elect to withdraw his contributions and provided he survives to his normal or early retirement date.

Section 9. If any clause, section, or other part or application of this Ordinance shall be held in any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and shall not affect the validity of the remaining portions or applications which shall remain in full force and effect.



Section 10: All ordinances or parts of ordinances, resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.


Section 11: This Ordinance shall become effective as of August 21, 2013.

PASSED ON FIRST READING THIS 7<sup>th</sup> day of August, 2013.

PASSED ON SECOND READING THIS 21<sup>st</sup> day of August, 2013.

  
MAYOR/COUNCILMEMBER

ATTEST:

  
TOWN CLERK

APPROVED THIS 21<sup>st</sup> DAY OF August, 2013.

Coding: Words in stricken type are deletions from text.  
Words in underline type are additions.



POST OFFICE BOX 888343  
ATLANTA, GEORGIA 30356-0343  
TELEPHONE 770.392.0980  
FACSIMILE 770.392.2193

July 30, 2013

Trustees of the Retirement Plan for the Employees of the Town of Davie  
c/o Mr. Paul Shamoun  
Florida League of Cities, Inc.  
P. O. Box 1757  
Tallahassee, FL 32302

Re: Retirement Plan for the Employees of the Town of Davie

Ladies and Gentlemen:

In response to your request, I have reviewed the proposed ordinance that implements a second-tier plan for employees hired after September 30, 2013 and adds an employee contribution for existing employees.

I have enclosed the impact statement for the ordinance. Please write the ordinance number in the spaces provided and have the statement signed by the chairman of the pension board. Then the impact statement should be submitted to the Division of Retirement, State of Florida, along with a copy of the ordinance.

If you have any questions, please do not hesitate to call me.

Sincerely,

Charles T. Carr  
Consulting Actuary

Enclosure as stated

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OUR OFFICE IS LOCATED AT 52A JOPANA BOULEVARD, HOSCHTON, GEORGIA 30548

## RETIREMENT PLAN FOR THE EMPLOYEES OF THE TOWN OF DAVIE

### IMPACT STATEMENT FOR ORDINANCE NO. 2013-

#### PART ONE: CERTIFICATION OF THE PLAN ADMINISTRATOR

I have enclosed a copy of Ordinance No. 2013-\_\_\_\_\_ of the Town of Davie, which ordinance makes the following changes to the Retirement Plan for the Employees of the Town of Davie:

- (1) With respect to employees hired after September 30, 2013, average final compensation is based on a six-year average instead of a three- or five-year average.*
- (2) With respect to employees hired after September 30, 2013, normal retirement age is the earlier of age 65 with at least 10 years of service or age 60 with at least 30 years of service.*
- (3) With respect to employees hired after September 30, 2013, the benefit formula multiplier is reduced from 2% or 3% to 1.8%.*
- (4) With respect to employees hired after September 30, 2013, the vesting requirement, as well as the pre-retirement death benefit and disability requirement, is increased to 10 years of service.*
- (5) With respect to employees hired after September 30, 2013, a mandatory employee contribution is added to the plan equal to 3% of pensionable earnings.*
- (6) With respect to employees hired prior to October 1, 2013, a mandatory employee contribution is added to the plan equal to 1% for the period after the collective bargaining agreement ratification date up to the first payroll after October 1, 2013, increasing to 1.5% for the period through September 30, 2014, and increasing to 2.5% thereafter.*

The plan's enrolled actuary, Charles T. Carr of Southern Actuarial Services Company, Inc., was provided with a copy of the proposed ordinance. In addition, the described plan change meets the requirements of Part VII, Chapter 112, Florida Statutes, and Section 14, Article X of the State Constitution.

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*Chair, Board of Trustees*



**PART TWO: CERTIFICATION OF THE ENROLLED ACTUARY**

Chapter 112 requires disclosure of the effect of changes in assumptions, methods, and plan provisions on certain liabilities. I have determined the impact of Ordinance No. 2013-\_\_\_\_\_ based on the results of the October 1, 2012 actuarial valuation. The ordinance decreases the annual contribution required from the City by **1.99%** of payroll. As of October 1, 2012, the decrease in annual cost is \$262,621 assuming a beginning-of-year employer contribution.

Note that the reduction in cost shown in the previous paragraph is attributable only to the addition of the mandatory employee contribution for employees hired prior to October 1, 2013. Because the impact statement is based only on those individuals who were plan participants as of October 1, 2012, the impact statement does not reflect any reduction in liability or cost attributable to the reduced benefits that will be paid to those employees who are hired after September 30, 2013. Although it is not possible to determine the precise impact of these benefit reductions on plan cost as of the date of the impact statement, based on a hypothetical new employee who is age 37 at hire, I have estimated the future impact of the ordinance to be a reduction in plan cost to 7.39% of covered payroll, which is 17.28% of covered payroll less than the current plan cost. In other words, over time as new employees are hired the annual contribution should decrease from the current 24.67% of payroll to approximately 7.39% of payroll. How quickly this transition occurs will depend in part on how many new employees are hired to replace the existing employees.

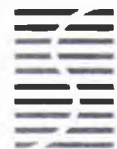
The following table sets forth the required disclosures in connection with the plan changes which have been described above:



Retirement Plan for the Employees of the Town of Davie  
*Impact Statement for Ordinance No. 2013- (continued)*

	As of October 1, 2012 (Old Plan Provisions)	As of October 1, 2012 (New Plan Provisions)
Present value of future expected benefit payments:		
for active participants		
retirement benefits	\$ 31,675,683	\$ 31,675,683
termination benefits	1,928,483	1,928,483
disability benefits	1,376,261	1,376,261
death benefits	467,035	467,035
return of contributions	0	8,076
sub-total	\$ 35,447,462	\$ 35,455,538
for terminated vested participants	\$ 2,134,640	\$ 2,134,640
for retired participants and beneficiaries		
retired (other than disab.) & benef.	\$ 14,187,064	\$ 14,187,064
disabled retirees	0	0
sub-total	\$ 14,187,064	\$ 14,187,064
total	<u>\$ 51,769,166</u>	<u>\$ 51,777,242</u>
Entry age normal accrued liability:		
for active participants		
retirement benefits	\$ 19,136,561	\$ 19,136,561
termination benefits	1,195,219	1,195,219
disability benefits	835,326	835,326
death benefits	285,829	285,829
return of contributions	0	2,328
sub-total	\$ 21,452,935	\$ 21,455,263
for terminated vested participants	\$ 2,134,640	\$ 2,134,640
for retired participants and beneficiaries		
retired (other than disab.) & benef.	\$ 14,187,064	\$ 14,187,064
disabled retirees	0	0
sub-total	\$ 14,187,064	\$ 14,187,064
total	<u>\$ 37,774,639</u>	<u>\$ 37,776,967</u>
Actuarial value of assets	(29,428,849)	(29,428,849)
Unfunded accrued liability	<u>\$ 8,345,790</u>	<u>\$ 8,348,118</u>
Actuarial present value of accrued benefits	\$ 31,101,485	\$ 31,101,485
Present value of active participants':		
Future salaries	\$ 86,215,560	\$ 86,215,560
Future contributions	\$ 0	\$ 1,727,453
Present value of future contributions from the employer (including expense loading)	\$ 22,987,432	\$ 21,268,156
Total annual compensation (2012/13 FY)	\$ 13,169,485	\$ 13,169,485
Minimum required contribution (2012/13 FY):		
Annual normal cost (incl. expenses)	\$ 3,511,346	\$ 3,248,725
Interest adjustment *	0	0
Total	<u>\$ 3,511,346</u>	<u>\$ 3,248,725</u>
As a percentage of payroll	<b>26.66%</b>	<b>24.67%</b>

\* based on a beginning-of-year employer contribution



*Retirement Plan for the Employees of the Town of Davie*  
*Impact Statement for Ordinance No. 2013- (continued)*

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Respectfully submitted,



Charles T. Carr, A.S.A.

Consulting Actuary

Enrolled Actuary No. 11-04927

7 / 30 / 13

Date signed



**TOWN OF DAVIE**  
**TOWN COUNCIL AGENDA REPORT**

**TO:** Mayor and Councilmembers

**FROM/PHONE:** William W. Ackerman, CPA, Budget & Finance Director/797-1050

**PREPARED BY:** William W. Ackerman, CPA, Budget & Finance Director/797-1050

**SUBJECT:** Ordinance

**AFFECTED DISTRICT:** Townwide

**ITEM REQUEST:** **Schedule for Council Meeting**

**TITLE OF AGENDA ITEM:** AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL EMPLOYEES; AMENDING ADOPTION AGREEMENT SECTION F TO REVISE THE DEFINITION OF AVERAGE FINAL COMPENSATION; AMENDING ADOPTION AGREEMENT SECTION G TO REVISE BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING ADOPTION AGREEMENT SECTION H TO REVISE ELIGIBILITY FOR DISABILITY BENEFITS; AMENDING ADOPTION AGREEMENT SECTION I TO REVISE ELIGIBILITY FOR DEATH BENEFITS; AMENDING ADOPTION AGREEMENT SECTION J TO REVISE VESTING CRITERIA; AMENDING ADOPTION AGREEMENT SECTION K TO PROVIDE FOR MEMBER CONTRIBUTIONS; AMENDING ARTICLE 1 OF THE PLAN AND TRUST, TO REVISE THE DEFINITION OF AVERAGE FINAL COMPENSATION AND SALARY/COMPENSATION; AMENDING ARTICLE 9 OF THE PLAN AND TRUST, TO REVISE VESTING CRITERIA; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE. {Approved at first reading on August 7, 2013. In a roll call vote, the vote was as follows: Mayor Paul - yes; Vice-Mayor Caletka - yes; Councilmember Luis - yes; Councilmember Hattan - yes; Councilmember Starkey - yes.} (Motion carried 5-0).

**EXECUTIVE SUMMARY:** As part of the second reading of the Ordinance, the Town has added an actuarially prepared Impact Statement. For additional information, refer to the end of the Key Points section.

Over the last several years, the Town has been facing budget deficits but continued to find different solutions to have a balanced budget (preferably without using one-time revenue sources). Although the economy slowly starts to move in the right direction, the Town continues to see minimal growth to the Town's revenue sources. A solution to reduce expenses and to reduce the Town's budget deficit pertain to pension reform. In order to curb rising pension costs, particularly through the tough economic times, the Town of Davie is seeking pension reform for the Town's Management and General Employees Pension Plan. The Town is taking action to significantly reduce the Town's long-term pension liabilities for this Pension Plan as well as some steps that will give instant relief towards pension costs. In conjunction with negotiations with the FOPA – General Employees, the Town is taking the following



actions for all of the current members (represented and non-represented) in the Town's Management and General Employees Pension Plan:

- Effective the full payroll after ratification (estimated to be the pay period starting August 29, 2013), all current members of the Pension Plan will have a 1% employee contribution
- Effective the first full payroll after October 1, 2013, all current members (as of the date of ratification) of the Pension Plan will have a 1.5% (total) employee contribution
- Effective the first full payroll after October 1, 2014, all current members (as of the date of ratification) of the Pension Plan will have a 2.5% (total) employee contribution

The following actions will apply to all new members of the Town's Management and General Employees Pension Plan that are hired October 1, 2013 and thereafter:

- 1.8% Multiplier
- Retirement age at 65 with 10 years of credited service, or 30 years of vested service and age 60
- Vesting at 10 years
- Average final compensation based on 6 best years
- Employee contribution at 3%

With the employee contribution taking place immediately, the Town will recognize immediate pension savings. However, the significant anticipated savings the Town will recognize will occur over the long-term (five years and longer).

Lastly, the Town amended the definition of Average Final Compensation and Salary/Compensation to incorporate additional changes to the Collective Bargaining Agreement in coordination with Florida Legislature adopted Chater 2011-216.

#### **KEY POINTS:**

In order to accomplish pension reform and reduce the Town's long-term liabilities related to pension costs, the Town is taking the following actions for all of the current members (represented and non-represented) in the Town's Management and General Employees Pension Plan:

- Current Members will have the following Effective the full payroll after ratification (estimated to be the pay period starting August 29, 2013), all current members of the Pension Plan will have a 1% employee contribution
- Effective the first full payroll after October 1, 2013, all current members (as of the date of ratification) of the Pension Plan will have a 1.5% (total) employee contribution
- Effective the first full payroll after October 1, 2014, all current members (as of the date of ratification) of the Pension Plan will have a 2.5% (total) employee contribution

The following actions will apply to all new members of the Town's Management and General Employees Pension Plan that are hired October 1, 2013 and thereafter:

- 1.8% Multiplier
- Retirement age at 65 with 10 years of credited service, or 30 years of vested service and age 60
- Vesting at 10 years
- Average final compensation based on 6 best years
- Employee contribution at 3%



Southern Actuarial Services completed an Impact Statement related to the comprehensive pension changes made to the Town's Management and General Employee Pension Plan. Some of the key points of this Statement include:

- The Ordinance decreases the annual contribution required from the Town by 1.99% of payroll
- As of October 1, 2012, the estimated decrease in annual cost is approximately \$263k
- The estimated future impact of this Ordinance is a reduction in the Town's contribution from 24.67% to 7.39% - a decrease of 17.28% or an approximate 70% decrease.

**PREVIOUS ACTIONS:** Town Council previously amended the plan via Ordinance 2012-05 on January 15, 2012 to comply with the requirement of Chapter 2011-216 for non represented employees.

**CONCURRENCES:** The Town Administrator, the Assistant Town Administrator, and the Budget & Finance Director has reviewed and approved the amendment.

**FISCAL IMPACT:** Yes

Has request been budgeted? No

If yes, expected cost: \$

Account name and number:

If no, amount needed: There will be a Town savings related to the passing of this Ordinance.

What account name and number will funds be appropriated from:

Additional Comments: With the employee contribution taking place immediately, the Town will recognize immediate pension savings. However, the significant anticipated savings the Town will recognize will occur over the long-term (five years and longer).

**RECOMMENDATION(S):** Motion to approve ordinance

**Attachment(s):**

Ordinance

Actuarial impact statement

ORDINANCE NO. 2017-005

AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, PROVIDING FOR THE RESTATEMENT AND UPDATING OF THE TOWN'S RETIREMENT PLAN AND TRUST FOR THE MANAGEMENT AND GENERAL EMPLOYEES OF THE TOWN OF DAVIE; PROVIDING FOR PUBLICATION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, governmental defined benefit plans are required to be updated from time to time to maintain their tax qualified status under the Internal Revenue Code;

WHEREAS, the Town Council finds that the Town's Retirement Plan and Trust for the Town of Davie Management and General Employees (hereinafter the "Plan") attracts qualified individuals to the Town and can encourage long-term and continued employment with the Town of Davie; and

WHEREAS, the Town Council of the Town of Davie is authorized to restate and update the Plan; and

WHEREAS, the restatement process is intended merely to aggregate the current provisions into a single document, rather than subtracting from or expanding such rights and privileges.

WHEREAS, restatement is not intended to result in any substantive changes to the Plan.

WHEREAS, the Board of Trustees of the Plan has recommended the restatement and updating of the Plan document.

NOW, THEREFORE, BE IT ENACTED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. A Retirement Plan and Trust for the Town of Davie Management and General Employees is hereby restated and updated. The instrument which represents the terms of said Plan and Trust will be and remain an exhibit to this Ordinance, remanded to the custody of the Town representative who will maintain such for public inspection.

SECTION 2. The Town Council of the Town of Davie shall continue to have the power to amend said Plan and Trust at such time or times as considered to be in the best interest of the Town and its employees.

SECTION 3. This Ordinance shall remain in full force and effect until supplemented, amended, repealed or otherwise altered.

SECTION 4. This Ordinance shall be published as required by the Code of the Town of Davie.


SECTION 5. This Ordinance shall take effect immediately upon adoption.

PASSED ON FIRST READING THIS 4<sup>TH</sup> DAY OF JANUARY 2017.

PASSED ON SECOND READING THIS 18<sup>TH</sup> DAY OF JANUARY 2017.

  
\_\_\_\_\_  
MAYOR/COUNCIL MEMBER

ATTEST

  
\_\_\_\_\_  
TOWN CLERK

PASSED AND ADOPTED THIS 18<sup>TH</sup> DAY OF JANUARY, 2017.

## Introduction

### **Retirement plan established; name; operative date; codification.**

(a) A retirement plan is hereby codified and placed under the exclusive administration and management of a board of trustees for the purpose of providing retirement benefits pursuant to the provisions of this part and for defraying the reasonable expenses of the retirement plan.

(b) The retirement plan established by this part shall be known as the Retirement Plan and Trust for the Management and General Employees of the Town of Davie (hereinafter the "Plan").

(c) The Plan shall have an effective date of October 1, 2003

(d) The Plan was established by Ordinance 2004-2, which adopted a model Florida Municipal Pension Trust Fund Defined Benefit Plan and Trust. Ordinance 2004-2 authorized participation in the Florida Municipal Pension Trust Fund, as governed by a Master Trust Fund Agreement and separate Adoption Agreement. The Plan was subsequently amended by Ordinance 2006-21, Ordinance 2007-1, Ordinance 2008-22, Ordinance 2008-36, Ordinance 2009-11, Ordinance 2012-5, and Ordinance 2013-18. By codifying and restating the Plan into a single ordinance, the rights of the membership and plan sponsor are preserved. The codification process is intended merely to aggregate the current provisions into a single document, rather than subtracting from or expanding such rights and privileges. Codification is not intended to result in any substantive changes to the Plan.

(e) The Plan covers three classifications of employees: Management Employees; Non-represented General Employees; and Represented General Employees, effective the first full pay period in October 2006.

(f) The Plan was recodified and restated effective January 1, 2014. Effective September 30, 2013 a new tier was created by Ordinance 2013-18 for all Participants hired on or after October 1, 2013.

# ARTICLE 1

## DEFINITIONS

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

**1.01 "Accumulated Contributions":**

shall mean a Participant's own contributions or contributions to purchase past Service Credit in the plan.

**1.02 "Accrued Benefit":**

shall mean a fraction of the benefit to which a Participant would be entitled at their Normal Retirement Date. The numerator of the fraction is the years of participation completed to date and the denominator is the years of participation in the Plan that would have been earned if the Participant continued employment until their Normal Retirement Date.

**1.03 "Actuary":**

shall mean an actuary that is a member of the Society of Actuaries or the American Academy of Actuaries and who is enrolled under subtitle C of Title III of the Employee Retirement Income Security Act of 1974.

**1.04 "Actuarial Equivalent":**

shall mean a benefit or amount of equivalent current value to the benefit that would otherwise have been provided to the Participant, determined on the basis of appropriate actuarial methods and actuarial assumptions determined by the Actuary and approved by the Board, as periodically updated in the most recent actuarial valuation. Actuarial Equivalent is further defined as a benefit or amount of equivalent current value to the benefit that would otherwise have been provided to the Participant. At the time of calculation of the actuarially equivalent benefit, the calculation shall not include possible future benefit increases which have not been adopted by an Ordinance or Resolution and which are not in effect as of the calculation date. The calculations will be performed using

the 1994 Group Annuity Reserving Table, project to 2002 by Scale AA and the rate of interest which is specified in the preceding actuarial valuation or as otherwise stated in an actuarial study in accordance with IRC Section 417(e)(3).

**1.05 Intentionally left blank.**

**1.06 "Average Final Compensation":**

For General Employees, one-twelfth of the highest average earnings during the five best years of creditable service prior to separation as an active member or the career average, whichever is greater.

For Management Employees, one-twelfth of the highest average earnings during the three best years of creditable service prior to separation as an active member or the career average, whichever is greater.

For all members hired on or after October 1, 2013, one-twelfth of the highest average earnings during the six best years of credited service prior to separation as an active member or the career average, whichever is greater.

**1.07 "Beneficiary":**

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

**1.08 "Board":**

shall mean the Board of Trustees, which shall administer and manage the Plan herein provided and serve as Trustees of the Fund.

**1.09 "Code":**

shall mean the Internal Revenue Code of 1986, as amended from time to time.

**1.10 "Credited Service":**

shall mean the total number of years and fractional parts of years as a Participant during which the Participant made required contributions to the Plan, omitting intervening years or fractional parts of years when such Participant is not employed by the Employer. Participants shall be permitted to purchase prior service as set forth in Article 18.

Management and Non-Represented General Employees: If a Management or Non-Represented Employee is hired after October 1, 2003, Credited Service shall mean the total number of years and fractional parts of years of service measured from date of employment and the total number and fractional parts of years of service purchased at actual actuarial cost. If such employee is a current employee as of October 1, 2003, credited service shall mean the total number and fractional parts of years of service measured from October 1, 2003.

Represented General Employees: If a Represented General Employee is hired after October 1, 2006, credit service shall mean the total number of years and fractional parts of years of service measured from date of employment and the total number and fractional parts of years of service purchased at actual actuarial cost. If the Represented General Employee is a current employee as of October 1, 2006, credited service shall mean the total number and fractional parts of years of service measured from October 1, 2006.

A Participant may voluntarily leave their Participant contributions in the Fund for a period of five (5) years after leaving the employ of the Employer pending the possibility of being rehired in a position eligible for participation in this Plan, without losing credit for the time that he or she was a Participant in the Plan. If a Participant who is not vested and is not reemployed with the Employer within five (5) years, his Accumulated Contributions shall be returned without interest. Upon return of a Participant's Accumulated Contribution, all rights and benefits under the Plan are forfeited and terminated. Upon any reemployment in a position eligible for participation in this Plan, Participants shall not receive credit for

the years and fractional parts of years for which they have withdrawn Accumulated Contributions from the Plan unless the Participant repays into the Fund the contributions they have withdrawn, with interest, as determined by the Board, within ninety (90) days after reemployment.

A Participant shall receive Credited Service for all purposes, including vesting, for the years or fractional parts of years that he is engaged in the military service of the Armed Forces of the United States, voluntarily or involuntarily, after employment with the Employer, to perform training or service, provided that:

- (A) The Participant must return to his employment with the Employer within one (1) year following the date of military discharge or his release from active service.
- (B) The Participant is entitled to reemployment under the provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA), (P.L.103-353).
- (C) The maximum credit for military service pursuant to this paragraph shall be five (5) years.
- (D) This section is intended to satisfy the minimum requirements of USERRA, as may be amended from time to time. To the extent that this section does not meet the minimum requirements of USERRA, the provisions of USERRA shall govern.

If a participant dies on or after January 1, 2007 while performing Qualified Military Service as defined by USERRA, the participant's beneficiaries shall be entitled to any benefits the participant would have been entitled to had he or she resumed employment and then died while employed.

**1. 11 "Deferred Retirement Option Plan" or "DROP":**

shall mean a local law plan retirement option in which a Participant may elect to participate.

A Participant may retire for all purposes of the plan and defer receipt of retirement benefits into a DROP account while continuing employment with their employer. However, a Participant who enters the DROP and who is otherwise eligible to participate



shall not thereby be precluded from participating or continuing to participate in a supplemental plan, if in existence on, or created after, the date of adoption of a DROP.

**1.12 Intentionally left blank.**

**1.13 "Effective Date":**

shall be October 1, 2003.

**1.14 "Employee":**

shall mean the classes of employees designated as eligible to participate in this Plan. Employees shall become participants in the Plan immediately when hired as an eligible full time employee.

**1.15 "Employer":**

shall mean the Town of Davie, Florida.

**1.15.1 "Fiscal year":**

shall mean the twelve months commencing on October 1<sup>st</sup> and ending on September 30<sup>th</sup>. The Plan Year shall be the twelve consecutive month period beginning October 1 and end September 30.

**1.16 "Fund":**

shall mean the Trust Fund established herein as part of the Plan.

**1.16.1 "Full Time Employee"**

shall mean an employee of the Town of Davie as defined by the Town.

**1.17 "General Employee"**

shall mean all full time employees of the Town of Davie not classified as a management employee and not otherwise restricted.

**1.18 "Limitation Year":**

shall mean the Plan Year.

**1.18.1 "Management Employee":**

shall mean town administrator, assistant or deputy town administrator, directors, the police chief and fire chief, town clerk, deputy or assistant town clerk, redevelopment administrator and deputy or assistant directors.

Any deputy or assistant fire chief or police chief who was placed into the Retirement Plan and Trust for Management and General Employees (hereinafter "Continued Public Safety Officers") prior to December 31, 2005 shall have their rights preserved in the Management and General Employee Plan. Following the adoption of this ordinance, service credit for Continued Public Safety Officers shall be computed and provided to the Town of Davie Firefighter Pension Plan and Police Pension Plan, as appropriate. The Town of Davie Firefighter Pension Plan and Police Plan, as appropriate, shall award service credit to Continued Public Safety Officers based on all service earned under the Management and General Employee Plan as a public safety officer.

Although Continued Public Safety Officers shall be permitted to remain members of the Retirement Plan and Trust for Management and General Employees, benefits received from the Management and General Employees Plan shall be offset against benefits paid under the Firefighter or Police Plan. If a Continued Public Safety Officer vests in the Retirement Plan and Trust for Management and General Employees but fails to vest in the Firefighter or Police Plan, the Continued Public Safety Officer shall receive full benefits from the Retirement Plan and Trust for Management and General Employees. Under no circumstances shall a continued Public Safety Officer receive duplication of benefits.

OPTIONAL TRANSFER RIGHTS OF POLICE OR FIRE CHIEF: Any firefighter or police officer who is promoted to the rank of Davie Fire Chief or Police Chief shall have the option, pursuant to Sections 175.032(8) and 185.02(11), Fla.Stat., to transfer the accrued

actuarial present value of their firefighter or police pension benefit to the Town's Retirement Plan and Trust Fund for Management and General Employees (the "Management Plan") prior to separation from service. Following the transfer of funds from the respective public safety plan, the Fire or Police Chief shall receive Credited Service in the Management Plan corresponding to the Credited Service surrendered from the public safety plan. Any election by the Fire Chief or Police Chief to transfer into the Management Plan shall be made in writing and shall acknowledge that the transfer results in the surrender of all rights and benefits under the Firefighter or Police plans.

**1.19 "Normal Retirement Date":**

The normal retirement date for a plan member shall be the first day of the month following attainment of age:

For General Employees, the Normal Retirement Date is attainment of age sixty (60) and six (6) years of Vested Service or age fifty-six (56) and thirty (30) years of Vested Service.

For Management Employees, the Normal Retirement Date is attainment of age fifty-two (52) and three (3) years of Vested Service or age forty-eight (48) and twenty (20) years of Vested Service.

For all members hired on or after October 1, 2013, the normal retirement date is the attainment of age sixty-five (65) with ten (10) years of credited service or thirty (30) years of Vested Service and age sixty (60).

**1.20 "Participant or Member"**

shall mean the actively employed Employees who are eligible to participate in this Plan; Management Employees; Non-represented General Employees; and Represented General Employees, effective October 1, 2003. Benefit improvements which, in the past, have been provided for by amendments to the Plan adopted by the Employer by ordinance or resolution, and any benefit improvements which might be made in the future shall apply prospectively and shall not apply to Participants who terminate employment or

who retire prior to the effective date of any ordinance or resolution adopting such benefit improvements, unless such ordinance or resolution specifically provides to the contrary.

Effective September 30, 2013 a new tier was created by Ordinance 2013-18 for all Participants hired on or after October 1, 2013. "Tier 1 Participant" shall mean members who were hired prior to October 1, 2013. "Tier 2" Participant shall mean members who were hired on or after October 1, 2013.

If a Tier 1 Participant separates from service and is rehired within one year from the date of separation, the member shall continue as a Tier 1 Participant. If a Tier 1 Participant separates from service and is rehired more than one year from the date of separation, additional service shall accrue under Tier 2.

**1.21 "Plan":**

shall mean the Retirement Plan and Trust for the Management and General Employees of the Town of Davie, as herein set forth and as may be amended from time to time.

**1.22 "Plan Year":**

shall mean the Plan's accounting year of twelve (12) consecutive months commencing on October 1 of each year and ending the following September 30.

**1.23 "Promoted Management Employee":**

shall mean a General Employee who is promoted to Management Employee status under the Plan. The Plan shall coordinate benefits earned by Promoted Management Employees hired prior to October 1, 2013, as set forth in Section 6.02(3).

**1.24 Intentionally left blank.**

### **1.25 "Salary/Compensation":**

Salary means the total cash remuneration paid to an employee for services rendered, exclusive of reimbursements, including but not limited to tuition reimbursement, travel reimbursement and Benefit Choice Dollars. Effective 8/3/2016, off-duty details shall be excluded from total cash remuneration.

Total cash remuneration for Management and Non-represented members shall exclude the following: 1) overtime in excess of 300 hours and 2) accrued unused annual or sick leave ("accumulated leave") in excess of the hours accrued by the Management or Non-represented member as of June 30, 2011 (hereinafter the "effective date"). The number of hours of accumulated leave used to calculate pension benefits for Management and Non-represented members shall be the lesser of the number of hours of accumulated leave on the effective date and the number of hours of accumulated leave on the member's retirement date.

Total cash remuneration of Represented General Employee members shall exclude the following: 1) overtime in excess of 300 hours and 2) accrued unused annual or sick leave ("accumulated leave") in excess of the hours accrued by the Represented General Employee member as of September 30, 2012 (hereinafter the "effective date"). The number of hours of accumulated leave used to calculate pension benefits for Represented General Employee members shall be the lesser of the number of hours of accumulated leave on the effective date and the number of hours of accumulated leave on the member's retirement date.

Compensation in excess of the limitations set forth in Section 401(a)(17) of the Code as of the first day of the calendar year shall be disregarded for any purpose, including employee contributions or any benefit calculations. The annual compensation of each member taken into account in determining benefits or employee contributions for any calendar year beginning on or after January 1, 2002, may not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code.

**1.26 "Spouse":**

shall mean the lawful wife or husband of a Participant at the time benefits become payable.

**1.27 "Total and Permanent Disability":**

shall mean a physical or mental condition of a Participant resulting from bodily injury, disease, or mental disorder which renders the Participant incapable of useful and efficient service, and which condition constitutes total disability as determined by the Board.

**1.28 "Trust Fund or Trust":**

shall mean the Trust Fund established under this Plan to hold Plan assets and to which contributions are to be paid and benefits held. Nothing herein shall preclude the establishment of more than one trust fund as may be required by law or adopted by the Employer.

**1.29 "Trustee":**

shall mean the person or persons named as and making up the Board of Trustees or Board, who shall administer and manage the Plan.

**1.30 "Useful and Efficient Service":**

shall mean useful, meaningful and necessary work for the Employer in an available position for which the Participant is reasonably qualified or for which the Participant may be reasonably trained to perform on a regular and continuous basis.

**1.31 "Valuation Date":**

shall mean the first day of the Plan Year.

**1.32 "Vested Service":**

for General Employees, the total number of years and fractional parts of years of service measured from the date of employment for general employees; for Management Employees, the total number of years and fractional parts of years of service measured from the date of employment, for Management Employees hired after October 1, 2003. All Management Employees employed on October 1, 2003 are deemed one hundred percent vested.

## **ARTICLE 2**

### **PARTICIPATION**

#### **2.01 Conditions of Eligibility**

A Participant shall become eligible to participate in this Plan immediately when hired as an eligible full time employee.

#### **2.02 Participation**

Each Participant shall complete a form prescribed by the Board providing the following information:

- (A) enrollment in the Plan
- (B) designation of a beneficiary or beneficiaries,

#### **2.03 Change in Designation of Beneficiary**

A Participant 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 benefits under the Plan shall cease. A change of beneficiary shall not require consent of the beneficiary.



## **ARTICLE 3**

### **BOARD OF TRUSTEES**

#### **3.01 Board of Trustees**

(A) A Board of Trustees shall be appointed to provide administrative supervision to ensure proper operation of the Plan. The Trustees shall consist of: two members of the management employees as defined in the Plan document who shall be elected by the management employees; two members of the general employees as defined in the Plan document who have been elected by the general employees and one Town Administrator designee. The initial term of the Board shall be: a one (1) year term for one management employee and one (1) general employee; a two (2) year term for one (1) management employee and one (1) general employee and a three year term for the Town Administrator's designee. Thereafter, each member shall serve a four(4) year term. If that Board member leaves the employee of the Employer as a Participant or otherwise vacates his office as a Board member, whereupon a successor shall be chosen in the same manner as the departing Board member. The Board of Trustees shall meet and shall establish a frequency of meetings. Each Board of Trustees 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. Accurate and detailed accounts of all Board meetings must be kept. All accounts, books and records-relating thereto shall be open to inspection and audit in accordance with general law. The Board shall issue such reports as are requested and make available to the same for inspection any and all records and accounts which are deemed appropriate in order to comply with governmental regulations issued thereunder.

(B) The Board members shall, by a majority vote, elect a Chairperson, Vice Chairperson and a Secretary. The Secretary, or other designee of the Board shall keep a complete minute book of the actions, proceeding, or hearings of the Board. The Board members shall not receive any compensation as such, but may receive expenses and per

diem as provided by law. The Vice Chairperson shall conduct meetings in the absence of the Chairperson.

(C) Each Board member shall be entitled to one vote on the Board. Decisions by the Board members are determined by majority voting at any meeting of the Board. A Board member shall have the right to abstain from voting as the result of a conflict of interest provided that Board member states in writing the nature of the conflict and complies with the provisions of Section 112.3143, Fl. Stat.

(D) The Board shall engage such actuarial, accounting, legal, and other services as shall be required to transact the business of the Plan. The compensation of all persons engaged by the Town Council and all other expenses of the Board necessary for the operation of the Plan shall be paid from the Fund at such rates and in such amounts as the Board of Trustees shall approve.

(E) The duties and responsibilities of the Board of Trustees shall include, but not necessarily be limited to, the following:

(1) To construe the provisions of the Plan and determine all questions arising thereunder.

(2) To determine all questions relating to eligibility and participation.

(3) To determine and certify the amount of all benefits hereunder.

(4) To establish uniform rules and procedures to be followed for administrative purposes, benefit applications, and all matters required to administer the Plan.

(5) To distribute to Participants, at regular intervals, information concerning the Plan, including but not limited to the Summary Plan Description (SPD) and annual benefit statements.

(6) To receive and process all applications for participation and benefits.

(7) To authorize all payments whatsoever from the Fund, and to notify the disbursing agent, in writing, of approved benefit payments and other expenditures arising through operation of the Plan and Fund.

(8) To have performed actuarial studies and at least biennial valuations, and make recommendations regarding any and all changes in the provisions of the Plan.

(9) To perform such other duties as required to administer the Plan.

(10) Invest and reinvest the assets of the Fund.

(11) In any application to or proceeding or action in the courts, the Board and Employer shall be a necessary party, and no Participant or other person having an interest in the Fund shall be entitled to any notice or service of process, unless their rights are directly affected by the action or proceeding. Any judgment entered in such a proceeding or action shall be conclusive upon all persons.

(12) Any powers and functions of 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;

(13) Trustees are encouraged to avail themselves of educational opportunities consistent with the fiduciary duties assumed by Board members.

## ARTICLE 4

### FINANCES AND FUND MANAGEMENT

#### 4.01 Establishment and Operation of Fund

(A) As part of the Plan, there is hereby established the Fund, into which shall be deposited all of the contributions and assets whatsoever attributable to the Plan, including any assets of any prior municipal trust fund(s).

(B) The actual custody and supervision of the Fund (and assets thereof) shall be vested in the Board. Payment of benefits and disbursements from the Fund shall be made by the disbursing agent but only upon written authorization from the Board or its designee.

(C) All funds of the Plan may be deposited by the Board with the Employer, acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he is liable for the safekeeping of funds for the Employer. However, any funds so deposited with the Employer shall be kept in a separate fund by the Employer or clearly identified as such funds of the Plan. In lieu thereof, the Board shall deposit the funds in a qualified public depository as defined in Section 280.02, Fl. Stat., which depository with regard to such funds shall conform to and be bound by all of the provisions of Chapter 280, Fl. Stat. In order to fulfill its investment responsibilities as set forth herein, the Board may retain the services of a custodian bank, an investment adviser registered under the Investment Advisors Act of 1940, or otherwise exempt from such required registration, an insurance company, or a combination of these, for the purpose of investment decisions and management. Such investment manager shall have discretion, subject to any guidelines as prescribed by the Board, in the investment of all Fund assets.

(D) All funds of the Plan may be commingled without limitation in governmental investment trusts, no-load investment funds or no-load mutual funds, and all such trusts or funds must comply with the Investment Policy adopted by the Board of Trustees.

Accurate records are to be maintained at all times reflecting the financial composition of the Fund, including accurate current accounts and entries as regards the following:

- (1) Current amounts of Accumulated Contributions of Participants on both an individual and aggregate account basis, and
- (2) receipts and disbursements, and
- (3) benefit payments, and
- (4) current amounts clearly reflecting all monies, funds and assets whatsoever attributable to contributions and deposits from the Employer, and
- (5) all interest, dividends and gains (or losses), and
- (6) such other entries as may be properly required so as to reflect a clear and complete financial report of the Fund.

(E) An independent audit shall be performed annually by a certified public accountant for the most recent fiscal year of the Employer showing a listing of assets and a statement of all income and disbursements during the year. Such income and disbursements must be reconciled with the assets at the beginning and end of the year. Such report shall reflect a complete evaluation of assets on a cost and market basis, as well as other items normally included in a certified audit.

(F) 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 governing body of the Employer to amend or terminate this Plan, provided that no amendment or termination shall ever result in the use of any assets of the Fund except for the payment of regular expenses and benefits under this Plan, and except as otherwise provided in this Plan. All contributions deposited into the Fund, and the income thereof, without distinction between principal and income, shall be held and administered by the Board, or its agent, in the Fund, and the Board shall not be required to segregate or invest separately any portion of the Fund.

(2) All monies paid into or held in the Fund shall be invested and reinvested by the Board. The Fund shall be invested in accordance with an established investment policy adopted by the Board.

(3) The Board may cause any investment in securities held by it to be registered in or transferred into its name as Trustee or into the name of such nominee as it may direct, or it may retain them unregistered and in a form permitting transferability, but the books and records shall at all times show that all investments are part of the Trust Fund.

(4) 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, recapitalization, 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 with the Trustee or with depositories 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 an owner with respect to stocks, bonds, or other investments comprising the Fund which it may deem to be in the best interest of the Fund to exercise.

(5) Any overpayments or underpayments from the Fund to a Participant or beneficiary caused by errors of computation shall be adjusted with interest at a rate per annum as utilized in the prior years' actuarial valuation. Overpayments shall be charged against payments next succeeding the correction. Underpayments shall be made up from the Trust Fund.

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

(7) Any powers and functions of 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 the Fund always remain with the Board.

## **ARTICLE 5**

### **CONTRIBUTIONS**

#### **5.01 Employee Contribution Rates:**

Effective the first full pay period on or after the ratification date of the 2012-2015 General Employees Collective Bargaining Agreement, all active members shall make regular contributions to the trust fund at a rate equal to one percent (1%) of salary.

Effective October 10, 2013, all active members shall make regular contributions to the trust fund at a rate equal to one and one-half percent (1.5%) of salary.

Effective October 9, 2014, all active members shall make regular contributions to the trust fund at a rate equal to two and one-half percent (2.5%) of salary.

Notwithstanding any other provision of this section, all active members hired on or after October 1, 2013 shall make regular contributions to the trust fund at a rate equal to three percent (3%) of salary.

**Method:** Participant contributions shall be made by payroll deduction. Participant contributions withheld by the Employer on behalf of the Participant shall be deposited in the Fund immediately after each pay period.

**Picked Up Contributions:** The Town shall pick up the employee contributions required above for all salary earned after October 1, 2013. The contributions so picked up shall be treated as contributions being paid by the employer in lieu of contributions by the employee in determining tax treatment under Section 414(h) of the United States Internal Revenue Code. Employee contributions picked up by the Town pursuant to this subsection shall be treated for all other purposes as employee contributions.

### **5.02 Employer Contributions**

So long as this Plan is in effect, the Employer shall deposit at least quarterly contributions for each Plan Year to the Trust Fund in an amount equal to or greater than the amount determined by the Actuary, and the total cost for the Plan Year, as represented in the most recent actuarial valuation of the Plan. The total cost for each Plan Year shall be defined as the total normal cost plus the additional amount sufficient to amortize the unfunded past service liability as provided in Part VII of Chapter 112, Florida Statutes.

### **5.03 Other**

Private donations, gifts and contributions may be deposited to the Fund.



## ARTICLE 6

### BENEFIT AMOUNTS AND ELIGIBILITY

#### **6.01 Normal Retirement Date**

A Participant's Normal Retirement Date shall be the first day of the month coincident with, or next following attainment of age:

For General Employees, the Normal Retirement Date is attainment of age sixty (60) and six (6) years of Vested Service or age fifty-six (56) and thirty (30) years of Vested Service.

For Management Employees, the Normal Retirement Date is attainment of age fifty-two (52) and three (3) years of Vested Service or age forty-eight (48) and twenty (20) years of Vested Service.

For all members hired on or after October 1, 2013, the normal retirement date is the attainment of age sixty-five (65) with ten (10) years of credited service or thirty (30) years of Vested Service and age sixty (60).

A Participant may retire on his Normal Retirement Date or on the first day of any month thereafter. Normal Retirement under the Plan is retirement from employment with the Employer on or after the Normal Retirement Date and completion of the required years of vested service.

#### **6.02 Normal Retirement Benefit**

(1) *Commencement of Normal Retirement Benefit:* A Participant retiring hereunder on or after his Normal Retirement Date shall receive a monthly benefit as specified below, which shall commence on the first day of the month coincident with or next following his termination of employment.

(2) *Calculation of Normal Retirement Benefit:* The monthly retirement benefit shall be a single life annuity equal to:

For General Employees hired prior to October 1, 2013, the Normal Retirement Benefit shall be a monthly benefit equal to the number of years of Credited Service multiplied by Average Final Compensation and multiplied by two percent (2%).

For Management Employees hired prior to October 1, 2013, the Normal Retirement Benefit shall be a monthly benefit equal to the number of years of Credited Service multiplied by Average Final Compensation and multiplied by three percent (3%).

For all members hired on or after October 1, 2013, the Normal Retirement Benefit shall be a monthly benefit equal to the number of years of Credited Service multiplied by Average Final Compensation and multiplied by one and eight-tenths percent (1.8%).

In the event that a Participant does not begin to receive his Benefit at his Normal Retirement Date, such Participant shall be entitled to a deferred benefit equal to the benefit he was entitled to receive at his Normal Retirement Date, adjusted to take into account his Average Final Compensation and years of Credited Service as of his actual retirement date.

(3) *Coordination of benefits for Promoted Management Employees:* For Promoted Management Employees hired prior to October 1, 2013, benefits shall be coordinated as follows between Credited Service earned as a General Employee and Credited Service earned as a Management Employee:

(a) *Vesting:* Participants shall be deemed vested after earning three (3) or more years of Credited Service as a Management Employee. Participants with less than three (3) years of Credited Service as a Management Employee shall be deemed vested after earning a total of six (6) years of Credit Service. If a Participant has not earned three (3) or more years of Credited Service as a

Management Employee, Credited Service as a General Employee and as a Management Employee shall be aggregated in order to meet the six (6) year vesting requirement.

(b) *Separate Normal Retirement Dates:* Management Employee benefits shall be paid beginning on the Normal Retirement Date for Management Employees, pursuant to Section 1.19. General Employee benefits shall be paid beginning on the Normal Retirement Date for General Employees, pursuant to Section 1.19.

(c) *Separate Benefit Calculations:* Management Employee benefits shall be calculated using the three percent (3%) multiplier applied to Credited Service as a Management Employee. General Employee benefits shall be calculated using the two percent (2%) multiplier applied to Credited Service as a General Employee.

(d) *Ability to Upgrade prior General Employee Service:* General Employee Participants who are promoted to Management Employee shall be permitted to upgrade their Credited Service as a General Employee to Credited Service as a Management Employee by paying the full actuarial cost of the upgraded service, provided that the Participant independently vests pursuant to subsection (a). Participants may elect to upgrade Credited Service at any time after being promoted, provided that the full actuarial cost is paid by the Participant. Upgraded service may not be used for vesting purposes under subsection (a).

### **6.03 Normal Form of Benefit**

The normal form of benefit shall be a single monthly retirement benefit for life, ceasing upon death. Optional forms of benefits are set forth in Article 10.

#### **6.04 Cost of Living Adjustments to Benefit Payments**

A three percent (3%) cost of living increase is awarded to benefit payments each year a benefit is in force after the benefit has been paid for five (5) years. This increase will begin with the sixty-first payment and adjusted annually.

## **6.05 DEFERRED RETIREMENT OPTION PROGRAM or "DROP"**

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 plan may elect to participate, deferring receipt of retirement benefits while continuing employment with the Town of Davie. The deferred monthly benefits shall accrue in the Trust Fund on behalf of the participant, plus interest compounded annually, for the specified period of the DROP participation, as provided in paragraph (c). Upon termination of employment, the participant shall receive the total DROP benefits and begin to receive the previously determined Normal Retirement Benefits.

### **(a) Eligibility of member to participate in the DROP.**

Effective October 1, 2003, all active members are eligible to elect participation in the DROP for a full five year period once the member reaches Normal Retirement Eligibility.

The member shall advise the Board, in writing of the date on which the DROP shall begin.

### **(b) Participation in the DROP**

1. An eligible member may elect to participate in the DROP for a period not to exceed a maximum of 60 calendar months, provided that the member elects to participate in DROP within five years of the date the member first reaches their Normal Retirement date. A member shall not be eligible to participate in DROP if their DROP election is not received within five years of their Normal Retirement date.
2. Upon deciding to participate in the DROP, the member shall submit, on forms:
  - a. A written election to participate in the DROP;
  - b. Selection of the DROP participation and termination dates, which satisfy the limitations stated in paragraph (a) and subparagraph 1. Such termination date shall be in a binding letter of resignation with the employer, establishing a deferred termination date. The member may change the termination date within the

limitations of subparagraph 1, but only with the written approval of his or her employer.

c. A properly completed DROP application for service retirement as provided in this section; and

d. Any other information required.

3. The DROP participant shall be a retiree under the Retirement Plan & Trust for the employees of the Town of Davie. However, participation in the DROP does not alter the participant's employment status and such employee shall not be deemed retired from employment until his or her deferred resignation is effective and termination occurs.

**(c) Benefits payable under the DROP**

1. Effective with the date of DROP participation, the member's initial normal monthly benefit, including creditable service, optional form of payment, and average final compensation, and the effective date of retirement shall be fixed. The beneficiary shall be the beneficiary eligible to receive any DROP benefits payable if the DROP participant dies prior to the completion of the period of DROP participation. In the event a joint annuitant predeceases the member, the member may name a beneficiary to receive accumulated DROP benefits payable. Retirement benefits shall accrue monthly in the Trust Fund. Interest shall accrue at an effective annual rate of 6.5 percent compounded monthly, on the prior month's accumulated ending balance, up to the month of termination or death.

2. The effective date of DROP participation and 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, provided such date is properly established, with the written confirmation of the employer.

3. 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.

4. At the conclusion of the participant's DROP, the TRUST shall distribute the participant's total accumulated DROP benefits, subject to the following provisions:
- a. The terminated DROP participant or, if deceased, such participant's named beneficiary, shall elect on forms 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 days of termination of the DROP, the division will pay a lump sum as provided in sub-sub-subparagraph (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 s. 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 s. 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 s. 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 s. 402(c)(9) of the Internal Revenue Code. The proportions shall be specified by the DROP participant or surviving beneficiary.
  - b. The form of payment selected by the DROP participant or surviving beneficiary complies with the minimum distribution requirements of the Internal Revenue Code.
  - c. A DROP participant who fails to terminate employment shall be deemed not to have retired, and the DROP election shall be null and void. Membership in the plan

shall be reestablished retroactively to the date of the commencement of the DROP.

5. The accrued benefits of any DROP participant, and any contributions accumulated under such program, shall not be subject to assignment, execution, attachment, or to any legal process whatsoever, except for qualified domestic relations orders by a court of competent jurisdiction, income deduction orders and federal income tax levies.
6. DROP participants shall not be eligible for disability retirement benefits.

**(d) Death benefits under the DROP**

1. Upon the death of a DROP participant, the named beneficiary shall be entitled to apply for and receive the accrued benefits in the DROP.
2. 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.
3. 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, Normal Retirement Benefits shall be paid in accordance with regular retirement benefit provisions.
4. A DROP participants' survivors shall not be eligible to receive active member death benefits.

**(e) Forfeiture of retirement benefits**

Nothing in this section shall be construed to remove DROP participants from the scope of s. 8(d), Art. II of the State Constitution, s. **112.3173**. 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.



## **ARTICLE 7**

### **PRE-RETIREMENT DEATH**

#### **7.01 Death Prior to Vesting**

If a General Employee hired prior to October 1, 2013 dies prior to Normal Retirement Date, and has less than six (6) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

If a Management Employee hired prior to October 1, 2013 dies prior to Normal Retirement Date, and has less than three (3) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

If any member hired on or after October 1, 2013 dies prior to Normal Retirement Date, and has less than ten (10) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

#### **7.02 Death After Vesting**

If a General Employee hired prior to October 1, 2013 dies prior to or after Normal Retirement Date, and has completed six (6) or more years of Vested Service, the beneficiary shall receive the benefit otherwise payable to the member at the member's Normal Retirement Date. Alternatively, the beneficiary may elect to receive an actuarially equivalent benefit prior to the Normal Retirement Date.

If a Management Employee hired prior to October 1, 2013 dies prior to or after Normal Retirement Date, and has completed three (3) or more years of Vested Service, the beneficiary shall receive the actuarially equivalent benefit otherwise payable to the member at the member's Normal Retirement Date. Alternatively, the beneficiary may elect to receive an actuarially equivalent benefit prior to the Normal Retirement Date.

If any member hired on or after October 1, 2013 dies prior to or after Normal Retirement Date, and has completed ten (10) or more years of Vested Service, the beneficiary shall receive the benefit otherwise payable to the member at the member's Normal Retirement Date. Alternatively, the beneficiary may elect to receive an actuarially equivalent benefit prior to the Normal Retirement Date.

**7.03 Beneficiaries Receipt of Payment** A Beneficiary may not elect an optional form of benefit, however, the Board may elect to make a lump sum payment pursuant to Article 10(F) to a beneficiary of the death benefits payable hereunder.

## ARTICLE 8

### DISABILITY

#### 8.01 Disability Benefits

(A) *Non-Duty Disability Benefit:*

Any employee who shall become Totally and Permanently Disabled, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a disability benefit. The employee shall bear the burden of proof:

(1) *General Employee Members Hired prior to October 1, 2013:* General Employees, who have completed six (6) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit. If a General Employee has less than six (6) years of Vested Service, they will receive a return of their employee contribution, if applicable, with six percent (6%) interest.

(2) *Management Members Hired prior to October 1, 2013:* Management Employees, who have completed three (3) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit with a minimum of three (3) years Credited Service. If a Management Employee has less than three (3) years of Vested Service, they will receive a return of their employee contribution, if applicable, with six percent (6%) interest.

(3) *Members Hired on or after October 1, 2013:* All members hired on or after October 1, 2013 who have completed ten (10) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit with a minimum of ten (10) years of Credited Service. If a member hired on or after October 1, 2013 has less than ten (10) years of Vested Service, they will receive a return of their employee contributions, if applicable, with six percent (6%) interest.

*(B) Duty Disability Benefit:*

All members, regardless of date of hire, shall be entitled to a duty disability benefit if they become Totally and Permanently disabled in the line of duty, regardless of length of service. The duty disability benefit shall be the accrued benefit, but shall not be less than twenty percent (20%) of Average Final Compensation at the time of disability.

Any employee who shall prove that they become Totally and Permanently Disabled in the line of duty, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a duty disability benefit. The employee shall bear the burden of proof.

**8.02 Conditions Disqualifying Disability Benefits**

Each Participant who is claiming disability benefits shall establish, to the satisfaction of the Board that such disability was not occasioned primarily by:

- (A) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (B) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections, or while committing a crime.
- (C) Injury or disease sustained while serving in any branch of the Armed Forces.
- (D) Injury or disease sustained after his employment as a Participant with the Employer had terminated.
- (E) Pre-existing medical conditions unless the nature of the injury or illness giving rise to the disability would reasonably be expected to give rise to disability in a person without the pre-existing condition.

A duty related disability based upon a mental injury shall not be granted unless it is proven by clear and convincing evidence that the injury was the result of sudden, unexpected and extraordinary stress directly related to the Participant's employment.

### **8.03 Physical Examination Requirement**

A Participant shall not become eligible for disability benefits until and unless he undergoes physical examination by a qualified physician or physicians and/or surgeons or surgeons, who shall be selected by the Board for that purpose. The Board may, but need not, rely on a treating physician as the Board's qualified physician for this purpose.

Any Participant receiving disability benefits under this Plan may be periodically re-examined by a qualified physician or physicians and/or surgeon or surgeons who shall be selected by the Board, to determine if such disability has ceased to exist. If the Board finds that the former Participant is no longer Permanently and Totally Disabled to the extent that he is able to render useful and efficient service, the Board shall recommend to the Employer that the former Participant be returned to performance of duty and shall again become eligible to Participate in the Plan. In the event the former Participant so ordered to return to employment shall refuse to comply with the order within thirty (30) days from the issuance thereof, the Participant shall forfeit the right to his benefits hereunder.

The cost of the physical examination and/or re-examination of the Participant claiming and or receiving disability benefits shall be paid by the Plan. All other reasonable costs as determined by the Board incident to the physical examination, such as, but not limited to, transportation, meals and hotel accommodations, shall be paid by the Plan.

If a Participant recovers from disability and reenters the service of the Employer as a Participant, his service will be deemed to have been continuous, but the period beginning with the first month for which he received a disability retirement income payment and ending with the date he reentered the service of the Employer will not be considered as Credited Service for the purposes of the Plan. The Board shall have the power and authority to make the final decision regarding all disability claims.

#### **8.04 Disability Payments**

The monthly benefit to which a Participant is entitled in the event of the Participant's disability shall be payable on the first day of the first month after the Board determines such entitlement. Provided, however, the Participant may select, at any time prior to the date on which benefit payments begin, an optional form of benefit payment as described in Article 10, Optional Forms of Benefits, which shall be the Actuarial Equivalent of the normal form of benefit. The amount of the first disability payment shall include an amount payable from the date the Board determined such entitlement. Disability benefits shall cease:

(A) If the Participant recovers from the disability prior to his Normal Retirement Date, the payment due next proceeding the date of such recovery, or

(B) If the Participant dies without recovering from disability or attains Normal Retirement Date, the payment due next proceeding his death.

#### **8.05 Disability Payments & Workers Compensation**

If a Participant receives a disability benefit under the Plan and workers compensation benefits pursuant to Chapter 440, Fl. Stat., for the same disability and the total monthly benefits received from both exceed one hundred percent (100%) of the Participants' average monthly wage determined in accordance with Chapter 440, Fl. Stat., the disability pension benefit shall be reduced so that the total monthly amount received by the Participant does not exceed one hundred percent (100%) of such average monthly wage.

In the event of a lump sum workers compensation settlement, the disability retirement income payable from the Plan shall be adjusted as follows:

(A) The amount of the lump sum settlement shall be divided by the Participant's remaining life expectancy (in months) as determined using the actuarial assumptions represented in the last completed valuation of the Plan.

(B) If the number obtained in paragraph (A) above, when added to the Participant's monthly disability retirement income from the Plan, exceeds the Participant's final monthly compensation on the date of disability, the amount of the excess shall be

deducted from the Participant's monthly disability retirement income from the pension plan, for the duration of the Participant's remaining life expectancy as determined in paragraph (A) above.

(C) If the number obtained in paragraph (A) above, when added to the Participant's monthly disability retirement income from the Plan, does not exceed the Participant's final monthly compensation on the date of disability, there shall be no reduction of the Participant's disability benefit from the plan.

## ARTICLE 9

### VESTING

If a Participant terminates his employment with the Employer for reasons other than retirement, disability or death, the Participant shall be entitled to the following:

(A) General Employees hired prior to October 1, 2013 shall best after the attainment of six (6) years of Vested Service. Management Employees hired prior to October 1, 2013 shall best after three (3) years of vesting service.

(1) If a General Employee has less than six (6) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution with six percent (6%) interest, or the member may leave it deposited with the Fund pending future employment with the Town of Davie. Interest shall not be credited if the Participant elects to keep contributions deposited with the Fund pending future employment.

(2) If a General Employee has six (6) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided he does not elect to withdraw his contributions and provided he survives to his normal or early retirement date.

(3) If a Management Employee has less than three (3) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution with six percent (6%) interest, or the member may leave it deposited with the Fund pending future employment with the Town of Davie. Interest shall not be credited if the Participant elects to keep contributions deposited with the Fund pending future employment.

(4) If a Management Employee has three (3) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided he does not elect to withdraw his contributions and provided he survives to his normal or early retirement date.



For all members (regardless of classification) hired on or after October 1, 2013, if a member has less than ten (10) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution with six percent (6%) interest or the member may leave it deposited with the Fund pending future employment with the Town of Davie. Interest shall not be credited if the Participant elects to keep contributions deposited with the Fund pending future employment.

For all members (regardless of classification) hired on or after October 1, 2013, if a member has ten (10) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal retirement date, provided the member does not elect to withdraw their contributions and provided they survive to their normal or early retirement date.

If a retired Participant who is collecting benefits is rehired, the Participant shall be required to revest in the Plan as a new Member in order to receive additional benefits. To the extent permitted by law, the Participant shall continue to receive monthly benefits earned prior to being rehired.

**(B)** Any vested Participant of the Plan who is no longer eligible to participate in this Plan due to a change of employment, but who remains employed by the Employer in a class not eligible to participate under this Plan, shall have his Accrued Benefit to the date of such termination under this Plan preserved, provided he does not elect to withdraw his Accumulated Contributions from this Plan. Such Accrued Benefit shall be payable at his otherwise Normal Retirement Date hereunder in accordance with the provisions of this Plan.

**(C)** If a Participant who terminates employment prior to his Normal Retirement Date and elects to withdraw Accumulated Contributions, is subsequently reemployed and again becomes a Participant in this Plan, his Credited Service for purposes of vesting and benefit accruals shall not include any periods of employment prior to his reemployment

date unless he repays to the Fund his Accumulated Contributions previously withdrawn with interest, as determined by the Board, within ninety (90) days after reemployment. If a Participant repays the foregoing amount to the Fund within the prescribed time period, the interest of the Participant in his Accrued Benefit previously forfeited shall be restored in full and the Participant's Credited Service shall be based on all periods of employment.

## ARTICLE 10

### OPTIONAL FORMS OF BENEFITS

(A) In lieu of the normal form of benefit as specified herein, a Participant's Normal Retirement or Disability Benefit may be paid in an optional form as selected by the Participant.

Subject to the approval of the Board or its designee, the Participant may elect to receive the Actuarial Equivalent of the benefit otherwise payable to the Participant in accordance with one of the following options:

1. Monthly income payments for the life of the Participant with 120 payments certain.
2. Monthly income payment for the life of the Participant and after his death, a joint pensioner benefit payable for the life of the joint pensioner equal to, 100%, 75%, 66 2/3%, or 50% of the amount payable to the Participant.
3. Such other amount and form of retirement benefit payment that, in the opinion of the Board, will meet the circumstances of the Participant and the Trust.
4. Lump Sum Payments are not allowed.

(B) The Participant, upon electing any option pursuant to this Article, will designate the joint pensioner or beneficiary (or beneficiaries) to receive the benefit, if any, payable under the Plan in the event of Participant's death, and will have the power to change such designation from time to time. Such designation will name a joint pensioner or one or more primary beneficiaries where applicable. A Participant may change their Beneficiary at any time. If a Participant has elected an option with a joint pensioner and the Participant's retirement benefits have commenced, the Participant may thereafter change their designated Beneficiary at any time, but may only change their joint pensioner twice. Subject to this restriction, a Participant may substitute a new joint pensioner for a deceased joint pensioner.

(C) Upon change of a Participant's joint pensioner in accordance with this Article, the amount of the retirement income payable to the Participant shall be actuarially re-determined to take into account the age of the former joint pensioner, the new joint pensioner and the Participant and to ensure that the benefit paid is the Actuarial Equivalent of the present value of the Participant's then-current benefit at the time of change. Any such Participant shall pay the actuarial recalculation expenses. Each request for a change will be made in writing on a form prepared by the Board and on completion will be filed with the Board. In the event that no designated Beneficiary survives the Participant, such benefits as are payable in the event of the death of the Participant subsequent to his or her retirement shall be paid as provided in Section 11, Beneficiaries.

(D) Benefit payments shall be made under the option elected in accordance with the provisions of this Article and shall be subject to the following limitations:

1. If a Participant dies prior to his or her Normal Retirement Date the beneficiary will receive a benefit paid under the normal form of benefit in accordance with Article 7, Pre-Retirement Death.
2. If both the retired Participant and the beneficiary (or beneficiaries) designated by Participant die before full payment has been effected under any option providing for payments for a period certain and life thereafter, the value of the remaining payments shall be paid in such other amount and form of retirement benefit payment that, in the opinion of the Board, will meet the circumstances of the retiree and the Trust in accordance Article 11.
3. If the designated Beneficiary (or Beneficiaries) or joint pensioner dies before the Participant's retirement under the Plan, the option elected will be canceled automatically and a retirement income of the normal form and amount will be payable to the Participant upon their retirement as if the election had not been made, unless a new election is made in accordance with provisions of this Article or a new Beneficiary is designated by the Participant prior to their retirement.

4. If a Participant continues employment beyond their Normal Retirement Date, and dies prior to his actual retirement and while an option made pursuant to the provisions of the Plan is in effect, monthly retirement income payments will be made, or a retirement benefit will be paid, under the option to a Beneficiary (or Beneficiaries) designated by the Participant in the amount or amounts computed as if the Participant had retired under the option on the date on which their death occurred.

(E) Unless otherwise allowed by law, a Participant may not change their benefit payment option after the date of cashing or depositing their first benefit check.

(F) Notwithstanding anything herein to the contrary, the Board in its discretion, may elect to make a lump sum payment to a Participant or a Participant's Beneficiary in the event that the monthly benefit amount is less than one hundred dollars (\$100), or the total commuted value of the remaining monthly income payments to be paid does not exceed five thousand dollars (\$5,000). Any such payment made to any person pursuant to the power and discretion conferred upon the Board by the preceding sentence shall operate as a complete discharge of all obligations under the Plan with regard to such Participant and shall not be subject to review by anyone, but shall be final, binding and conclusive on all persons.

## **ARTICLE 11**

### **BENEFICIARIES**

(A) Each Participant may, on a form provided for that purpose, signed and filed with the Board, designate a beneficiary (or beneficiaries) to receive the benefit, if any, which may be payable in the event of their death and each designation may be revoked by such Participant by signing and filing with the Board a new designation-of-beneficiary form. The consent of a Participant's beneficiary to any change of beneficiary shall not be required.

(B) If a deceased Participant fails to name a beneficiary in the manner prescribed in Section A, or if the beneficiary (or beneficiaries) named by a deceased Participant predeceases the Participant, the death benefit, if any, which may be payable under the Plan with respect to such deceased Participant shall be paid by the Board to the estate of the Participant, and the Board, in its discretion, may direct that the commuted value of the remaining value of the remaining monthly income benefits be paid in a lump sum in accordance with section 10(f).

Any payment made to any person pursuant to this Section shall operate as a complete discharge of all obligations under the Plan with regard to the deceased Participant and any other persons with rights under the Plan and shall not be subject to review by anyone but shall be final, binding, and conclusive on all persons ever interested hereunder.

## **ARTICLE 12**

### **CLAIMS PROCEDURES**

The Board shall establish administrative claims procedures to be utilized in processing written requests ("claims"), on matters which affect the substantial rights of any person ("claimant"), including Participants, retirees, Beneficiaries, or any person affected by a decision of the Board, which are set forth in Rule 7 of the Board's Operating Rules & Procedures.

## **ARTICLE 13**

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## **ARTICLE 14**

### **ROSTER OF RETIREES**

The Secretary of the Board shall keep a record of all persons receiving a benefit or vested Participants who will receive a future vested benefit under the provisions of this Plan in which it shall be noted the time when the benefit became payable. Additionally, the Secretary shall keep a record of all Participants employed by the Employer in such a manner as to show the name, address, date of employment and date such employment is terminated.

## **ARTICLE 15**

### **BOARD ATTORNEY AND PROFESSIONALS**

The Board may employ independent legal counsel at the Fund's expense for the purposes contained herein, together with such other professional, technical, or other advisors, as the Board deems necessary.



## ARTICLE 16

### MAXIMUM PENSION

**16.01 Basic Limitations** Subject to the adjustments hereinafter set forth, the maximum amount of annual retirement income payable with respect to a Participant under this Plan shall not exceed the dollar amount as may be allowable for any calendar year pursuant to §415(b) of the Code

**16.02 Participation in Other Defined Benefit Plans**

The limitation of this Article with respect to any Participant who at any time has been a Participant in any other defined benefit plan (as defined in §414(j) of the Code) maintained by the Employer shall apply as if the total benefits payable under all defined benefit plans in which the Participant has been a Participant were payable from one Plan.

**16.03 Adjustments in Limitations**

(A) In the event the Participant's retirement benefits become payable before age sixty-two (62), the maximum amount of annual retirement income limitation prescribed by this Article shall be reduced in accordance with Regulations issued by the Secretary of the Treasury, so that such limitation (as so reduced) equals an annual benefit (beginning when such retirement income benefit begins) which is equivalent to the maximum amount of annual retirement income as prescribed by this Article beginning at age 62.

(B) In the event the Participant's benefit is based on at least fifteen (15) years of Credited Service, the adjustments provided for in A. above shall not apply.

(C) The reductions provided for in A. above shall not be applicable to disability benefits, or pre-retirement death benefits.

(D) In the event the Participant's retirement benefit becomes payable after age sixty-five (65), for purposes of determining whether this benefit meets the limitation set forth in Section 16.01 herein, such benefit shall be adjusted so that it is actuarially equivalent to the benefit beginning at age sixty-five (65). This adjustment shall be made using an assumed interest rate of five percent (5%) and shall be made in accordance with regulations promulgated by the Secretary of the Treasury or their delegate.

(E) Less than Ten (10) Years of Service. The maximum retirement benefits payable under this Article to any Participant who has completed less than ten (10) years of Credited Service with the Employer shall be the amount determined under Section 16.01 herein, multiplied by a fraction, the numerator of which is the number of the Participant's years of Credited Service and the denominator of which is ten (10). The reduction provided for in this subsection shall not be applicable to disability benefits or pre-retirement death benefits.

(F) Ten Thousand Dollar \$10,000 Limit. Notwithstanding the foregoing, the retirement benefit payable with respect to a Participant shall be deemed not to exceed the limitations set forth in this Article if the benefits payable, with respect to such Participant under this Plan and under all other qualified defined benefit pension plans to which the Employer contributes, do not exceed ten thousand dollars (\$10,000) for the applicable Plan Year and for any prior Plan Year and the Employer has not at any time maintained a qualified defined contribution plan in which the Participant participated.

(G) Reduction of benefits. Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the Participant's benefit under any defined benefit plans in which Participant participated, such reduction to be made first with respect to the plan in which Participant most recently accrued benefits and thereafter in such priority as shall be determined by the Board and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures for defined contribution plans in which the Participant participated, such reduction to be made first with respect to the plan in which Participant most recently accrued benefits and thereafter in such priority as shall be established by the Board and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the Board and the plan administrator of all other plans covering such Participant.

(H) Cost-of-Living Adjustments. The limitations as stated herein shall be adjusted to the time the payment of a benefit begins, in accordance with any cost-of-living adjustments prescribed by the Secretary of the Treasury pursuant to §415(d) of the Code.

(I) Additional Limitation on Pension Benefits.

Notwithstanding anything herein to the contrary:

(1) the normal retirement benefit or pension payable to a Retiree who becomes a Participant of the Plan on or after January 1, 1980, and who has not previously participated in such Plan, shall not exceed 100 percent of their Average Final Compensation. However, nothing contained in this Article shall apply to supplemental

retirement benefits or to pension increases attributable to cost-of-living increases or adjustments.

(2) no Participant of the Plan shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the Participant is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement plan. This restriction does not apply to social security benefits or federal benefits as provided under federal law.

#### **16.04 Benefit Restoration Plan & Trust**

(A) An Employer may fund a Benefit Restoration Plan as permitted under Code Section 415(m) as specified in this Section

#### **(B) Definitions**

(1) **"Information Sheet":**

is the document executed by the Employer providing specific information as to that Employer.

(2) **"Participant":**

means an employee of the Employer who is eligible to receive benefits under this Benefit Restoration Plan, under (C).

(3) **"Pensioner":**

means a former employee of the Employer who is retired and receiving retirement benefits.

(4) **"Benefit Restoration Plan":**

means the provisions of section 16.04, which is hereby established for the payment of retirement benefits supplementing the Plan benefits as permitted under Code Section 415(m).

(5) **"Benefit Restoration Plan Year":**

means the limitation year of the Plan under Code Section 415.

(6) **"Plan":**

means the Retirement Plan and Trust for the Management and General Employees of the Town of Davie, and with respect to which this Benefit Restoration Plan will provide supplemental benefits .

(7) **"Trust":**

means the trust fund established in section 4.02 of this Benefit Restoration Plan, which shall constitute a separate trust fund from the trust fund maintained under the Plan.

(8) **"Board":**

means the Board of Trustees of the Plan, serving in the separate capacity as Trustees of this benefit Restoration Plan.

**(C) PARTICIPATION**

- (1) All Participants, Pensioners and Beneficiaries of the Plan whose retirement or survivor benefits from that Plan for a Plan Year have been limited by Code Section 415 are eligible to participate in this Benefit Restoration Plan, unless excluded by category under the terms of the Information Sheet.
- (2) Participation in the Benefit Restoration Plan is automatic. Any Participant, Pensioner or Beneficiary who is eligible for benefits is entitled to such benefits without the necessity of enrollment. Participation in the Benefit Restoration Plan will cease for any Plan Year in which the retirement benefit of a Pensioner or Beneficiary is not limited by Code Section 415.

**(D) BENEFITS**

**(1) Benefit Amount**

A covered Pensioner or Beneficiary shall receive a monthly benefit equal to the difference between the participant's monthly retirement benefit otherwise

payable from the Plan prior to any reduction or limitation because of Code Section 415 and the actual monthly retirement benefit payable from the Plan as limited by Code Section 415. The monthly benefit shall be subject to withholding for any applicable income or employment taxes.

**(2) Payment of Benefit**

Benefits under the Benefit Restoration Plan shall be paid only if the Pensioner or Beneficiary is receiving retirement benefits from the Plan.

**(3) Form of Benefit**

The form of the benefit paid to a Pensioner or Beneficiary from the Benefit Restoration Plan shall be the same payable under the Plan.

**(E) CONTRIBUTIONS AND FUNDING**

**(1) Contributions**

(a) The Board, upon the recommendation of the actuary, shall determine the required contributions to pay plan benefits in accordance with (2) below. The required contribution for each Plan Year shall be the total amount of benefits payable under Section 3 to all Pensioners and Beneficiaries, plus such amount as determined by the Board to pay the administrative expenses of the Benefit Restoration Plan and the Employer's share of any employment taxes on the benefits paid from the Plan.

(b) The required contribution as determined by the Board, upon the recommendation of the actuary, shall be paid into the Trust from an allocation of the Employer contribution amounts paid under the Plan.

**(2) Benefit Restoration Plan Trust Fund**

Contributions to the Benefit Restoration Plan shall be deposited in the separate Trust established and administered by the Board. This Trust is intended to be exempt from federal income tax under Code Sections 115 and 415(m)(1). The Trust assets shall be subject to the claims of general creditors of the Employer in the case of bankruptcy.

**(3) Funding Assets**

The benefit liabilities of the Benefit Restoration Plan shall be funded on an as-needed basis. The Trust established under section (2) above shall not be

accumulated to pay benefits payable in future years. Accordingly, any assets of the Trust shall be invested by the Board in short-term investments as the Board may determine to assure preservation of principal rather than the generation of income.

**(4) Non-assignability of Benefits**

The benefits payable under this Benefit Restoration Plan may not be assigned or alienated, except as otherwise permitted for benefits payable by the Plan.

**(5) Amendment and Termination**

The Employer reserves the right to amend this Benefit Restoration Plan at any time. No modification or amendment of the Benefit Restoration Plan shall make it possible for any part of the income or assets of the fund to be used for, or diverted to, purposes other than for the exclusive benefit of the Participants, Pensioners and Beneficiaries, except as set forth in section (2) above.

The Employer reserves the right to discontinue or terminate this Benefit Restoration Plan in whole or in part. Upon a termination of the Benefit Restoration Plan, the Board shall take such steps as the Board determines to be necessary or desirable to comply with applicable laws and to apply any remaining assets.

If, after satisfaction of all liabilities, there is any balance remaining in the fund, such balance shall be refunded to the Employer if not otherwise prohibited by law.

**(F) ADMINISTRATION**

**(1) Benefit Restoration Plan Administration**

The Benefit Restoration Plan shall be administered by the Board. The Board shall have the same authority to administer the Benefit Restoration Plan as exists for the Plan. The Board may delegate any or all of the Board's administrative authority.



**(2) Compliance Authority**

The Board may make modifications to the benefits payable under the Benefit Restoration Plan as may be necessary to maintain its qualified status under Code Section 415(m).

**(3) No Liability for Benefits**

Since this Benefit Restoration Plan is not intended to accumulate funds, the Benefit Restoration Plan shall not be liable for the payment of any benefits except to the extent of funds actually received from the Employer and not previously distributed or applied to pay Benefit Restoration Plan expenses.

**(4)** This Benefit Restoration Plan shall be construed, administered and governed in all respects by the laws of the State of Florida.

**(G) EFFECTIVE DATES**

The Board shall pay benefits under the Benefit Restoration Plan beginning on or after the date specified on the Information Sheet.

## **ARTICLE 17**

### **DISTRIBUTION OF BENEFITS**

As of the Effective Date, this Plan shall pay all benefits in accordance with a good faith interpretation of the requirements of Code Section 401(a)(9) and the regulations promulgated thereunder, as applicable to a governmental plan as defined in Code Section 414(d). Notwithstanding any other provision of this Plan to the contrary, a form of retirement income payable from this Plan shall satisfy the following conditions:

- (A) If the retirement income is payable before the Participant's death,
- (1) It shall either be distributed or commence to the Participant not later than April 1 of the calendar year following the later of the calendar year in which the Participant attains age seventy and one-half (70½), or the calendar year in which the Participant retires; and,
  - (2) the benefit shall be paid over the life of the Participant or over the lifetimes of the Participant and designated beneficiary and shall be paid over the period extending not beyond the life expectancy of the Participant and designated beneficiary

Where benefit payments have commenced in accordance with the preceding paragraphs and the Participant dies before their entire interest in the Plan has been distributed, the remaining portion of such interest in the Plan shall be distributed no less rapidly than under the form of distribution in effect at the time of the Participant's death.

- (B) If the Participant's death occurs before the distribution of their interest in the Plan has commenced, the Participant's entire interest in the Plan shall be distributed within five (5) years of the Participant's death, unless it is to be distributed in accordance with the following rules:

- (1) The Participant's remaining interest in the Plan is payable to their designated beneficiary.

(2) The remaining interest is to be distributed over the life of the designated beneficiary over a period not extending beyond the life expectancy of the designated beneficiary; and

(3) Such distribution begins within one year of the Participant's death unless the Participant's spouse shall receive the remaining interest in which case the distribution need not begin before the date on which the Participant would have attained age seventy and one-half (70½), and if the spouse dies before the distribution begins, this Article shall be applied as if the spouse were the Plan Participant.

(C) Direct Transfers of Eligible Rollover Distributions

(1) This paragraph applies to distributions made on or after January 1, 1993. Notwithstanding any provisions of the Plan to the contrary that would otherwise limit a distributee's (as defined below) election under this paragraph, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution (as defined below) paid directly to an eligible retirement plan (as defined below) specified by the distributee in a direct rollover (as defined below).

(2) For purposes of this paragraph, the following terms shall have the following meanings:

(i) 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: 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 ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9), and the portion of any distribution that is not included in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(ii) An "eligible retirement plan" is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), or a qualified trust described in Code Section 401(a), that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(iii) A "distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse is a distributee with regard to the interest of the spouse. For distributions occurring in plan years beginning after December 31, 2009 (or in any earlier plan year beginning after December 31, 2006), a distributee also includes the Participant's non-spouse designated beneficiary. In the case of a non-spouse beneficiary, the direct rollover may be made only to a traditional IRA or Roth IRA that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of § 402(c)(11). Also, in this case, the determination of any required minimum distribution under § 401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

(iv) A "direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.

## **ARTICLE 18**

### **MISCELLANEOUS PROVISIONS**

#### **18.01 Interest of Participants in Plan**

At no time prior to the satisfaction of all liabilities under the Plan with respect to Participants and 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. No plan amendment or ordinance shall be adopted by the Employer which shall have the effect of reducing the then vested accrued benefits of Participants or Participants' beneficiaries under the Plan.

#### **18.02 Summary Plan Descriptions**

The Summary Plan Description outlining the provisions of this Plan was designed only to give a brief description of the benefit provided and does not include all the provisions or exclusions in the Plan Document. If the Summary Plan Description disagrees with the Plan herein in any way, the Plan Document will govern.

#### **18.03 Gender and Number**

Wherever any words are used in the masculine, feminine or neutral gender, they shall be construed as though they were also used in another gender in all cases where they would apply. Whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would apply.

#### **18.04 Headings and References**

All headings and references to sections, subsections, paragraphs, etc., in this Plan are inserted for convenience only and shall not affect the construction or interpretation of this Plan.

#### **18.05 Benefit Improvements**

Benefit improvements which, in the past, have been provided for by amendments to the Plan adopted by the Employer by ordinance or resolution, and any benefit improvements which might be made in the future, shall apply prospectively and shall not apply to Participants who terminate employment or who retire prior to the effective date of any ordinance or resolution adopting such benefit improvements, unless such ordinance or resolution specifically provides to the contrary.

#### **18.06 Procedure for Unclaimed Benefit**

If the Board is unable, within ten years after any benefit becomes due to a Participant or Beneficiary under the Plan, to authorize payment because the identity or whereabouts of such person cannot be ascertained, the Board may direct that such benefit and all further benefits with respect to such person shall be forfeited and all liability for the payment thereof shall terminate.

#### **18.07 Qualified Military Service:**

Notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with § 414(u) of the Code.

Consistent with the Heroes Earning Assistance and Relief Tax (HEART) Act, a deceased person's period of qualified military service will be credited service under the Plan.

If a Participant dies while engaged in qualified military service, the Participant's beneficiaries shall be entitled to any benefits the Participant would have been entitled to as if the Participant had resumed employment immediately prior to his or her death in accordance with the Heroes Earning Assistance and Relief Tax (HEART) Act, and any regulations promulgated thereunder.

**18.08 Domestic Relations Order Submission:**

- (A) Prior to the entry of any domestic relations order which affects or purports to affect the Fund's responsibilities in connection with the payment of benefits, that order should be submitted through the Fund's administrator for review as to whether the Fund may honor it.
- (B) If the domestic relations order is not submitted to the administrator for review prior to entry, and the Fund is ordered to take action that it may not legally take, and the Fund expends administrative or legal fees in resolving the matter, the Participant who submitted the domestic relations order will be required to reimburse the Fund its expenses in connection with the order.
- (C) The administrator may develop rules or regulations concerning what the Fund will consider to determine if a domestic relations order may be complied with by the Fund.
- (D) Upon request, the Board's actuary will be available to provide divorce calculations, but the member shall be responsible for paying the cost of such calculations, including benefit recalculations, which shall be performed on an actuarial equivalent basis.
- (E) The treatment of former spouse beneficiaries shall be governed by HB 401, Chapter 2012-148.

**18.09 Option to Purchase Prior Credited Service**

Credited Service may be purchased for all years of service with the Town of Davie at actual actuarial cost. Up to five (5) years of credited service may be purchased for previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie, provided that no retirement benefits were provided for such previous full-time employment with the federal government, including military service, or any state, county, or city. Any participant who elects to purchase service as provided in this paragraph shall pay the full actuarial cost of such credited service on or before three (3) months from the date of the past service cost calculation prepared by the Plan actuary. Full payment for the purchase of past service

credit must be made before separation from Town employment. If full payment is not made by time of separation, credited service shall be based on amount of payment received.

#### **MANAGEMENT AND NON-REPRESENTED GENERAL EMPLOYEES**

Credited service shall include credited service purchased by a member in accordance with this section:

(A) Participants who were employed in a position covered by the Plan prior to October 1, 2003, may purchase up to five (5) additional years of credited service under the Plan for all or a portion of their previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie. Any participant who elects to purchase previous full-time employment with the federal government, including military service, or any state, county or city government other than the Town of Davie, shall pay the full actuarial cost of such credited service on or before three (3) months from the date of the past service cost calculation prepared by the Plan actuary, in accordance with subsection (c) below. Notwithstanding the foregoing, any participant who was previously a member of the Plan and reenters the Plan shall not be obligated to purchase credited service previously credited within the Plan; previously credited service within the Plan shall be reinstated for such members.

(B) Participants with a hire date after October 1, 2003, may purchase up to five (5) additional years of credited service at any time within the first five (5) years of employment provided the member has paid into the plan the full actuarial cost of such credited service as determined by the plan actuary. No additional service credit will be allowed if the participant is receiving or will receive any other retirement benefit based on the prior government service.

(C) Payment for the purchase of credited service authorized in subsection (a) and (b), above, shall be made in one of the following manners:



1. Cash lump sum payment; or
2. Direct transfer or rollover of an eligible rollover distribution from a qualified Plan.

#### **REPRESENTED GENERAL EMPLOYEES**

(A) Participants who were employed in a position covered by the Plan prior to October 1, 2006, may purchase up to five (5) additional years of credited service under the Plan for all or a portion of their previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie. Any participant who elects to purchase previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie, shall pay the full actuarial cost of such credited service on or before three (3) months from the date of the past service cost calculation, in accordance with subsection (c) below. Notwithstanding the foregoing, any participant who was previously a member of the Plan and reenters the Plan shall not be obligated to purchase credited service previously credited within the Plan; previously credited service within the Plan shall be reinstated for such members.

(B) Participants with a hire date after October 1, 2006, may purchase up to five (5) additional years of credited service within the first five (5) years of employment with the Town of Davie, provided the member has paid into the plan the full actuarial cost of such credited service as determined by the plan actuary. No additional service credit will be allowed if the participant is receiving or will receive any other retirement benefit based on the prior government service.

(C) Payment for the purchase of credited service authorized in subsection (a) and (b) above, shall be made in one of the following manners:

1. Cash lump sum payment; or
2. Direct transfer or rollover of an eligible rollover distribution from a qualified Plan.

(D) Management Employees who have been promoted from a General Employee position: If a Management Employee, as defined by Section 1.18.1, previously purchased credited service prior to being promoted, the Management Employee shall be provided the opportunity to pay the additional full actuarial cost to upgrade the prior service in order to obtain the Management Employee benefit corresponding to the prior service.

#### **18.10 Buyback Refunds**

Following the purchase of Credited Service, a vested member shall not be entitled to a refund of their buyback contribution, unless the member agrees in writing to forfeit their entire benefit.

## **ARTICLE 19**

### **REPEAL OR TERMINATION OF PLAN**

(A) This Plan and Fund may be modified, terminated, or amended, in whole or in part at any time by the Employer; provided that if this Plan or any subsequent ordinance or resolution 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 Participant or beneficiary shall not be affected thereby, except to the extent that the assets of the Fund may be determined to be inadequate.

(B) If this Plan shall be repealed, or if contributions to the Plan are discontinued, or if there is a transfer, merger or consolidation of government units, services or functions as provided in Chapter 121, Fl. Stat., the Board shall continue to administer the Plan in accordance with the provisions of this Plan, for the sole benefit of the then Participant's, any beneficiaries then receiving retirement allowances, and any future persons entitled to receive future benefits. In the event of repeal, termination or permanent discontinuance of contributions due to transfer, merger or consolidation of government units, services or functions, there shall be full vesting (100%) of benefits accrued to date of repeal and the assets of the Plan shall be allocated in an equitable manner to provide benefits on a proportionate basis to the persons so entitled in accordance with the provisions thereof.

(C) The following shall be the order of priority for purposes of allocating the assets of the Plan as of the date of repeal of this Plan, or if contributions to the Plan are discontinued with the date of such discontinuation being determined by the Employer.

(1) Apportionment shall first be made in respect of each retired Participant receiving a retirement or disability benefit hereunder on such date, each person receiving a benefit on such date on account of a retired or disabled (but since deceased) Participant, and each Participant who has, by such date, become eligible for normal retirement but has not yet retired, an amount which is the actuarial equivalent of such benefit, based upon the actuarial assumptions in use

for purposes of the most recent actuarial valuation, provided that, if such asset value be less than the aggregate of such amounts, such amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such asset value.

(2) If there be any asset value remaining after the apportionment under paragraph 1, apportionment shall next be made in respect of each Participant in the service of the Employer on such date who has completed at least ten (10) Years of Credited Service and who is not entitled to an apportionment under paragraph 1, in the amount required to provide the Actuarial Equivalent, as described in paragraph 1 above, of the accrued Normal Retirement Benefit, based on the Credited Service and Salary as of such date, and each vested former Participant then entitled to a deferred benefit who has not, by such date, begun receiving benefit payments, in the amount required to provide said Actuarial Equivalent of the accrued Normal Retirement Benefit, provided that, if such remaining asset value is less than the aggregate of the amounts apportioned hereunder, such latter amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

(3) If there be any asset value after the apportionments under paragraph 1 and 2 above, apportionment shall be made in respect of each Participant in the service of the Employer on such date who is not entitled to an apportionment under paragraphs 1 and 2 above in the amount equal to Participant's Accumulated Contributions, provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder, such latter amount shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

(4) If there be any asset value remaining after the apportionments under paragraphs 1, 2, and 3 above, apportionment shall lastly be made in respect of each participant included in paragraph 3 above to the extent of the Actuarial

Equivalent, as described in paragraph 1 above, of the accrued Normal Retirement Benefit, less the amount apportioned in paragraph 3 above, based on the Credited Service and Average Final Compensation as of such date, provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder, such amounts shall be reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

(5) In the event that there be asset value remaining after the full apportionment specified in paragraphs 1, 2, 3, and 4 above, such excess shall be returned to the Employer, less return of the State's contributions to the State, provided that, if the excess is less than the total contributions made by the Employer and the State to the date of termination such excess shall be divided proportionately to the total contributions made by the Employer and the State.

The allocation of the Fund provided for in this subsection may, as decided by the Board and the Employer 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 and the Employer may direct. The Trust may be continued in existence for purposes of subsequent distributions.

(6) After all the vested and accrued benefits provided hereunder have been paid and after all other liabilities have been satisfied, then and only then, shall any remaining funds be reverted to the Employer.

## **ARTICLE 20**

### **EXEMPTION FROM EXECUTION, NON-ASSIGNABILITY**

The pensions, annuities, or any other benefits accrued or accruing to any person under the provisions of this Plan, the Accumulated Contributions and the assets in the Fund created under this Plan are exempt from any state, county or municipal tax of the state and shall not be subject to execution, attachment, garnishment or any legal process whatsoever and shall be unassignable.

## **ARTICLE 21**

### **FORFEITURE OF PENSION: CONVICTION AND FORFEITURE**

Any Participant who is convicted of the any of the following offenses committed prior to retirement, or whose employment is terminated by reason of his admitted commission, aid or abetment of the following specified offenses, shall forfeit all rights and benefits under this Plan, except for the return of his Accumulated Contributions as of the date of termination.

(A) Specified offenses include the following, as may be amended by the Florida Legislature :

- (1) the committing, aiding or abetting of an embezzlement of public funds;
- (2) the committing, aiding or abetting of any theft by a public officer or employee from the employer;
- (3) bribery in connection with the employment of a public officer or employee;
- (4) any felony specified in Chapter 838, Florida Statutes;
- (5) the committing of an impeachable offense;
- (6) the committing of any felony by a public officer or employee who willfully and with intent to defraud the public or the public agency, for which he acts or in which he is employed, of the right to receive the faithful performance of his duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or for some other person through the use or attempted use of the power, rights, privileges, duties or position of his public office or employment position, or;
- (7) any other forfeitable offense set forth in Section 112.3173, Florida Statutes

(B) Conviction shall be defined as follows: An adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.

(C) Court shall be defined as follows: any state or federal court of competent jurisdiction, which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the Board shall hold a hearing on which notice shall be given to the Participant whose benefits are being considered for forfeiture. Said Participant shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the Participant shall be afforded a full opportunity to present his case against forfeiture.

(D) Any Participant who has received benefits from the Plan in excess of his Accumulated Contributions after Participant's rights were forfeited pursuant to this section shall be required to pay back to the Fund the amount of the benefits received in excess of his Accumulated Contributions. The Board may implement all legal action necessary to recover such funds.

(E) As provided in the Florida Statutes, it is unlawful for a person to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the Plan. A person who commits a crime is punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

(F) In addition to any applicable criminal penalty upon conviction for a violation described in paragraph (E), a Participant or Beneficiary of the Plan may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which the person would be otherwise be entitled under the Plan. For purposes of this paragraph (F) "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.



## **ARTICLE 22**

### **PENSION VALIDITY**

The Board shall have the power to examine and investigate 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. The Board is empowered to purge the pension rolls or correct the pension amount of any person heretofore granted a pension under prior or existing law or any person hereafter granted a pension under this Plan if the same is found to be erroneous, fraudulent or illegal for any reason, and to reclassify any person who has heretofore under any prior or existing law been or who shall hereafter under this Plan be erroneously, improperly or illegally classified. Any overpayments or under payments shall be corrected and paid or repaid in a reasonable manner determined by the Board.

## Introduction

### Retirement plan established; name; operative date; codification.

(a) A retirement plan is hereby codified and placed under the exclusive administration and management of a board of trustees for the purpose of providing retirement benefits pursuant to the provisions of this part and for defraying the reasonable expenses of the retirement plan.

(b) The retirement plan established by this part shall be known as the Retirement Plan and Trust for the Management and General Employees of the Town of Davie (hereinafter the "Plan").

(c) The Plan shall have an effective date of October 1, 2003

(d) The Plan was established by Ordinance 2004-2, which adopted a model Florida Municipal Pension Trust Fund Defined Benefit Plan and Trust. Ordinance 2004-2 authorized participation in the Florida Municipal Pension Trust Fund, as governed by a Master Trust Fund Agreement and separate Adoption Agreement. The Plan was subsequently amended by Ordinance 2006-21, Ordinance 2007-1, Ordinance 2008-22, Ordinance 2008-36, Ordinance 2009-11, Ordinance 2012-5, and Ordinance 2013-18. By codifying and restating the Plan into a single ordinance, the rights of the membership and plan sponsor are preserved. The codification process is intended merely to aggregate the current provisions into a single document, rather than subtracting from or expanding such rights and privileges. Codification is not intended to result in any substantive changes to the Plan.

(e) The Plan covers three classifications of employees: Management Employees; Non-represented General Employees; and Represented General Employees, effective the first full pay period in October 2006.

(f) The Plan was recodified and restated effective January 1, 2014. Effective September 30, 2013 a new tier was created by Ordinance 2013-18 for all Participants hired on or after October 1, 2013.

# ARTICLE 1

## DEFINITIONS

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

### **1.01 "Accumulated Contributions":**

shall mean a Participant's own contributions or contributions to purchase past Service Credit in the plan.

### **1.02 "Accrued Benefit":**

shall mean a fraction of the benefit to which a Participant would be entitled at their Normal Retirement Date. The numerator of the fraction is the years of participation completed to date and the denominator is the years of participation in the Plan that would have been earned if the Participant continued employment until their Normal Retirement Date.

### **1.03 "Actuary":**

shall mean an actuary that is a member of the Society of Actuaries or the American Academy of Actuaries and who is enrolled under subtitle C of Title III of the Employee Retirement Income Security Act of 1974.

### **1.04 "Actuarial Equivalent":**

shall mean a benefit or amount of equivalent current value to the benefit that would otherwise have been provided to the Participant, determined on the basis of appropriate actuarial methods and actuarial assumptions determined by the Actuary and approved by the Board, as periodically updated in the most recent actuarial valuation. Actuarial Equivalent is further defined as a benefit or amount of equivalent current value to the benefit that would otherwise have been provided to the Participant. At the time of calculation of the actuarially equivalent benefit, the calculation shall not include possible future benefit increases which have not been adopted by an Ordinance or Resolution and which are not in effect as of the calculation date. The calculations will be performed using

the 1994 Group Annuity Reserving Table, project to 2002 by Scale AA and the rate of interest which is specified in the preceding actuarial valuation or as otherwise stated in an actuarial study in accordance with IRC Section 417(e)(3).

**1.05 Intentionally left blank.**

**1.06 "Average Final Compensation":**

For General Employees, one-twelfth of the highest average earnings during the five best years of creditable service prior to separation as an active member or the career average, whichever is greater.

For Management Employees, one-twelfth of the highest average earnings during the three best years of creditable service prior to separation as an active member or the career average, whichever is greater.

For all members hired on or after October 1, 2013, one-twelfth of the highest average earnings during the six best years of credited service prior to separation as an active member or the career average, whichever is greater.

**1.07 "Beneficiary":**

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

**1.08 "Board":**

shall mean the Board of Trustees, which shall administer and manage the Plan herein provided and serve as Trustees of the Fund.

**1.09 "Code":**

shall mean the Internal Revenue Code of 1986, as amended from time to time.

**1.10 "Credited Service":**

shall mean the total number of years and fractional parts of years as a Participant during which the Participant made required contributions to the Plan, omitting intervening years or fractional parts of years when such Participant is not employed by the Employer. Participants shall be permitted to purchase prior service as set forth in Article 18.

Management and Non-Represented General Employees: If a Management or Non-Represented Employee is hired after October 1, 2003, Credited Service shall mean the total number of years and fractional parts of years of service measured from date of employment and the total number and fractional parts of years of service purchased at actual actuarial cost. If such employee is a current employee as of October 1, 2003, credited service shall mean the total number and fractional parts of years of service measured from October 1, 2003.

Represented General Employees: If a Represented General Employee is hired after October 1, 2006, credit service shall mean the total number of years and fractional parts of years of service measured from date of employment and the total number and fractional parts of years of service purchased at actual actuarial cost. If the Represented General Employee is a current employee as of October 1, 2006, credited service shall mean the total number and fractional parts of years of service measured from October 1, 2006.

A Participant may voluntarily leave their Participant contributions in the Fund for a period of five (5) years after leaving the employ of the Employer pending the possibility of being rehired in a position eligible for participation in this Plan, without losing credit for the time that he or she was a Participant in the Plan. If a Participant who is not vested and is not reemployed with the Employer within five (5) years, his Accumulated Contributions shall be returned without interest. Upon return of a Participant's Accumulated Contribution, all rights and benefits under the Plan are forfeited and terminated. Upon any reemployment in a position eligible for participation in this Plan, Participants shall not receive credit for

the years and fractional parts of years for which they have withdrawn Accumulated Contributions from the Plan unless the Participant repays into the Fund the contributions they have withdrawn, with interest, as determined by the Board, within ninety (90) days after reemployment.

A Participant shall receive Credited Service for all purposes, including vesting, for the years or fractional parts of years that he is engaged in the military service of the Armed Forces of the United States, voluntarily or involuntarily, after employment with the Employer, to perform training or service, provided that:

- (A) The Participant must return to his employment with the Employer within one (1) year following the date of military discharge or his release from active service.
- (B) The Participant is entitled to reemployment under the provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA), (P.L.103-353).
- (C) The maximum credit for military service pursuant to this paragraph shall be five (5) years.
- (D) This section is intended to satisfy the minimum requirements of USERRA, as may be amended from time to time. To the extent that this section does not meet the minimum requirements of USERRA, the provisions of USERRA shall govern.

If a participant dies on or after January 1, 2007 while performing Qualified Military Service as defined by USERRA, the participant's beneficiaries shall be entitled to any benefits the participant would have been entitled to had he or she resumed employment and then died while employed.

**1. 11 "Deferred Retirement Option Plan" or "DROP":**

shall mean a local law plan retirement option in which a Participant may elect to participate.

A Participant may retire for all purposes of the plan and defer receipt of retirement benefits into a DROP account while continuing employment with their employer. However, a Participant who enters the DROP and who is otherwise eligible to participate

shall not thereby be precluded from participating or continuing to participate in a supplemental plan, if in existence on, or created after, the date of adoption of a DROP.

**1.12 Intentionally left blank.**

**1.13 "Effective Date":**

shall be October 1, 2003.

**1.14 "Employee":**

shall mean the classes of employees designated as eligible to participate in this Plan. Employees shall become participants in the Plan immediately when hired as an eligible full time employee.

**1.15 "Employer":**

shall mean the Town of Davie, Florida.

**1.15.1 "Fiscal year":**

shall mean the twelve months commencing on October 1<sup>st</sup> and ending on September 30<sup>th</sup>. The Plan Year shall be the twelve consecutive month period beginning October 1 and end September 30.

**1.16 "Fund":**

shall mean the Trust Fund established herein as part of the Plan.

**1.16.1 "Full Time Employee"**

shall mean an employee of the Town of Davie as defined by the Town.

**1.17 "General Employee"**

shall mean all full time employees of the Town of Davie not classified as a management employee and not otherwise restricted.

**1.18 "Limitation Year":**

shall mean the Plan Year.

**1.18.1 "Management Employee":**

shall mean town administrator, assistant or deputy town administrator, directors, the police chief and fire chief, town clerk, deputy or assistant town clerk, redevelopment administrator and deputy or assistant directors.

Any deputy or assistant fire chief or police chief who was placed into the Retirement Plan and Trust for Management and General Employees (hereinafter "Continued Public Safety Officers") prior to December 31, 2005 shall have their rights preserved in the Management and General Employee Plan. Following the adoption of this ordinance, service credit for Continued Public Safety Officers shall be computed and provided to the Town of Davie Firefighter Pension Plan and Police Pension Plan, as appropriate. The Town of Davie Firefighter Pension Plan and Police Plan, as appropriate, shall award service credit to Continued Public Safety Officers based on all service earned under the Management and General Employee Plan as a public safety officer.

Although Continued Public Safety Officers shall be permitted to remain members of the Retirement Plan and Trust for Management and General Employees, benefits received from the Management and General Employees Plan shall be offset against benefits paid under the Firefighter or Police Plan. If a Continued Public Safety Officer vests in the Retirement Plan and Trust for Management and General Employees but fails to vest in the Firefighter or Police Plan, the Continued Public Safety Officer shall receive full benefits from the Retirement Plan and Trust for Management and General Employees. Under no circumstances shall a continued Public Safety Officer receive duplication of benefits.

OPTIONAL TRANSFER RIGHTS OF POLICE OR FIRE CHIEF: Any firefighter or police officer who is promoted to the rank of Davie Fire Chief or Police Chief shall have the option, pursuant to Sections 175.032(8) and 185.02(11), Fla.Stat., to transfer the accrued



actuarial present value of their firefighter or police pension benefit to the Town's Retirement Plan and Trust Fund for Management and General Employees (the "Management Plan") prior to separation from service. Following the transfer of funds from the respective public safety plan, the Fire or Police Chief shall receive Credited Service in the Management Plan corresponding to the Credited Service surrendered from the public safety plan. Any election by the Fire Chief or Police Chief to transfer into the Management Plan shall be made in writing and shall acknowledge that the transfer results in the surrender of all rights and benefits under the Firefighter or Police plans.

**1.19 "Normal Retirement Date":**

The normal retirement date for a plan member shall be the first day of the month following attainment of age:

For General Employees, the Normal Retirement Date is attainment of age sixty (60) and six (6) years of Vested Service or age fifty-six (56) and thirty (30) years of Vested Service.

For Management Employees, the Normal Retirement Date is attainment of age fifty-two (52) and three (3) years of Vested Service or age forty-eight (48) and twenty (20) years of Vested Service.

For all members hired on or after October 1, 2013, the normal retirement date is the attainment of age sixty-five (65) with ten (10) years of credited service or thirty (30) years of Vested Service and age sixty (60).

**1.20 "Participant or Member"**

shall mean the actively employed Employees who are eligible to participate in this Plan; Management Employees; Non-represented General Employees; and Represented General Employees, effective October 1, 2003. Benefit improvements which, in the past, have been provided for by amendments to the Plan adopted by the Employer by ordinance or resolution, and any benefit improvements which might be made in the future shall apply prospectively and shall not apply to Participants who terminate employment or

who retire prior to the effective date of any ordinance or resolution adopting such benefit improvements, unless such ordinance or resolution specifically provides to the contrary.

Effective September 30, 2013 a new tier was created by Ordinance 2013-18 for all Participants hired on or after October 1, 2013. "Tier 1 Participant" shall mean members who were hired ~~on or before~~ prior to October 1, 2013. "Tier 2" Participant shall mean members who were hired on or after October 1, 2013.

If a Tier 1 Participant separates from service and is rehired within one year from the date of separation, the member shall continue as a Tier 1 Participant. If a Tier 1 Participant separates from service and is rehired more than one year from the date of separation, additional service shall accrue under Tier 2.

**1.21 "Plan":**

shall mean the Retirement Plan and Trust for the Management and General Employees of the Town of Davie, as herein set forth and as may be amended from time to time.

**1.22 "Plan Year":**

shall mean the Plan's accounting year of twelve (12) consecutive months commencing on October 1 of each year and ending the following September 30.

**1.23 "Promoted Management Employee":**

shall mean a General Employee who is promoted to Management Employee status under the Plan. The Plan shall coordinate benefits earned by Promoted Management Employees hired prior to October 1, 2013, as set forth in Section 6.02(3).

**1.24 Intentionally left blank.**

### **1.25 "Salary/Compensation":**

Salary means the total cash remuneration paid to an employee for services rendered, exclusive of reimbursements, including but not limited to tuition reimbursement, and travel reimbursement, and excluding Benefit Choice Dollars. Effective 8/3/2016, off-duty details shall be excluded from total cash remuneration.

Total cash remuneration for Management and Non-represented members shall exclude the following: 1) overtime in excess of 300 hours and 2) accrued unused annual or sick leave ("accumulated leave") in excess of the hours accrued by the Management or Non-represented member as of June 30, 2011 (hereinafter the "effective date"). The number of hours of accumulated leave used to calculate pension benefits for Management and Non-represented members shall be the lesser of the number of hours of accumulated leave on the effective date and the number of hours of accumulated leave on the member's retirement date.

Total cash remuneration of Represented General Employee members shall exclude the following: 1) overtime in excess of 300 hours and 2) accrued unused annual or sick leave ("accumulated leave") in excess of the hours accrued by the Represented General Employee member as of September 30, 2012 (hereinafter the "effective date"). The number of hours of accumulated leave used to calculate pension benefits for Represented General Employee members shall be the lesser of the number of hours of accumulated leave on the effective date and the number of hours of accumulated leave on the member's retirement date.

Compensation in excess of the limitations set forth in Section 401(a)(17) of the Code as of the first day of the calendar year shall be disregarded for any purpose, including employee contributions or any benefit calculations. The annual compensation of each member taken into account in determining benefits or employee contributions for any calendar year beginning on or after January 1, 2002, may not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code.

**1.26 "Spouse":**

shall mean the lawful wife or husband of a Participant at the time benefits become payable.

**1.27 "Total and Permanent Disability":**

shall mean a physical or mental condition of a Participant resulting from bodily injury, disease, or mental disorder which renders the Participant incapable of useful and efficient service , and which condition constitutes total disability as determined by the Board.

**1.28 "Trust Fund or Trust":**

shall mean the Trust Fund established under this Plan to hold Plan assets and to which contributions are to be paid and benefits held. Nothing herein shall preclude the establishment of more than one trust fund as may be required by law or adopted by the Employer.

**1.29 "Trustee":**

shall mean the person or persons named as and making up the Board of Trustees or Board, who shall administer and manage the Plan.

**1.30 "Useful and Efficient Service":**

shall mean useful, meaningful and necessary work for the Employer in an available position for which the Participant is reasonably qualified or for which the Participant may be reasonably trained to perform on a regular and continuous basis.

**1.31 "Valuation Date":**

shall mean the first day of the Plan Year.

**1.32 "Vested Service":**

for General Employees, the total number of years and fractional parts of years of service measured from the date of employment for general employees; for Management Employees, the total number of years and fractional parts of years of service measured from the date of employment, for Management Employees hired after October 1, 2003. All Management Employees employed on October 1, 2003 are deemed one hundred percent vested.

## ARTICLE 2

### PARTICIPATION

#### 2.01 Conditions of Eligibility

A Participant shall become eligible to participate in this Plan immediately when hired as an eligible full time employee.

#### 2.02 Participation

Each Participant shall complete a form prescribed by the Board providing the following information:

- (A) enrollment in the Plan
- (B) designation of a beneficiary or beneficiaries,

#### 2.03 Change in Designation of Beneficiary

A Participant 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 benefits under the Plan shall cease. A change of beneficiary shall not require consent of the beneficiary.

## **ARTICLE 3**

### **BOARD OF TRUSTEES**

#### **3.01 Board of Trustees**

(A) A Board of Trustees shall be appointed to provide administrative supervision to ensure proper operation of the Plan. The Trustees shall consist of: two members of the management employees as defined in the Plan document who shall be elected by the management employees; two members of the general employees as defined in the Plan document who have been elected by the general employees and one Town Administrator designee. The initial term of the Board shall be: a one (1) year term for one management employee and one (1) general employee; a two (2) year term for one (1) management employee and one (1) general employee and a three year term for the Town Administrator's designee. Thereafter, each member shall serve a four(4) year term. If that Board member leaves the employee of the Employer as a Participant or otherwise vacates his office as a Board member, whereupon a successor shall be chosen in the same manner as the departing Board member. The Board of Trustees shall meet and shall establish a frequency of meetings. Each Board of Trustees 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. Accurate and detailed accounts of all Board meetings must be kept. All accounts, books and records-relating thereto shall be open to inspection and audit in accordance with general law. The Board shall issue such reports as are requested and make available to the same for inspection any and all records and accounts which are deemed appropriate in order to comply with governmental regulations issued thereunder.

(B) The Board members shall, by a majority vote, elect a Chairperson, Vice Chairperson and a Secretary. The Secretary, or other designee of the Board shall keep a complete minute book of the actions, proceeding, or hearings of the Board. The Board members shall not receive any compensation as such, but may receive expenses and per

diem as provided by law. The Vice Chairperson shall conduct meetings in the absence of the Chairperson.

(C) Each Board member shall be entitled to one vote on the Board. Decisions by the Board members are determined by majority voting at any meeting of the Board. A Board member shall have the right to abstain from voting as the result of a conflict of interest provided that Board member states in writing the nature of the conflict and complies with the provisions of Section 112.3143, Fl. Stat.

(D) The Board shall engage such actuarial, accounting, legal, and other services as shall be required to transact the business of the Plan. The compensation of all persons engaged by the Town Council and all other expenses of the Board necessary for the operation of the Plan shall be paid from the Fund at such rates and in such amounts as the Board of Trustees shall approve.

(E) The duties and responsibilities of the Board of Trustees shall include, but not necessarily be limited to, the following:

(1) To construe the provisions of the Plan and determine all questions arising thereunder.

(2) To determine all questions relating to eligibility and participation.

(3) To determine and certify the amount of all benefits hereunder.

(4) To establish uniform rules and procedures to be followed for administrative purposes, benefit applications, and all matters required to administer the Plan.

(5) To distribute to Participants, at regular intervals, information concerning the Plan, including but not limited to the Summary Plan Description (SPD) and annual benefit statements.

(6) To receive and process all applications for participation and benefits.

(7) To authorize all payments whatsoever from the Fund, and to notify the disbursing agent, in writing, of approved benefit payments and other expenditures arising through operation of the Plan and Fund.



(8) To have performed actuarial studies and at least biennial valuations, and make recommendations regarding any and all changes in the provisions of the Plan.

(9) To perform such other duties as required to administer the Plan.

(10) Invest and reinvest the assets of the Fund.

(11) In any application to or proceeding or action in the courts, the Board and Employer shall be a necessary party, and no Participant or other person having an interest in the Fund shall be entitled to any notice or service of process, unless their rights are directly affected by the action or proceeding. Any judgment entered in such a proceeding or action shall be conclusive upon all persons.

(12) Any powers and functions of 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;

(13) Trustees are encouraged to avail themselves of educational opportunities consistent with the fiduciary duties assumed by Board members.

## ARTICLE 4

### FINANCES AND FUND MANAGEMENT

#### 4.01 Establishment and Operation of Fund

(A) As part of the Plan, there is hereby established the Fund, into which shall be deposited all of the contributions and assets whatsoever attributable to the Plan, including any assets of any prior municipal trust fund(s).

(B) The actual custody and supervision of the Fund (and assets thereof) shall be vested in the Board. Payment of benefits and disbursements from the Fund shall be made by the disbursing agent but only upon written authorization from the Board or its designee.

(C) All funds of the Plan may be deposited by the Board with the Employer, acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he is liable for the safekeeping of funds for the Employer. However, any funds so deposited with the Employer shall be kept in a separate fund by the Employer or clearly identified as such funds of the Plan. In lieu thereof, the Board shall deposit the funds in a qualified public depository as defined in Section 280.02, Fl. Stat., which depository with regard to such funds shall conform to and be bound by all of the provisions of Chapter 280, Fl. Stat. In order to fulfill its investment responsibilities as set forth herein, the Board may retain the services of a custodian bank, an investment adviser registered under the Investment Advisors Act of 1940, or otherwise exempt from such required registration, an insurance company, or a combination of these, for the purpose of investment decisions and management. Such investment manager shall have discretion, subject to any guidelines as prescribed by the Board, in the investment of all Fund assets.

(D) All funds of the Plan may be commingled without limitation in governmental investment trusts, no-load investment funds or no-load mutual funds, and all such trusts or funds must comply with the Investment Policy adopted by the Board of Trustees.

Accurate records are to be maintained at all times reflecting the financial composition of the Fund, including accurate current accounts and entries as regards the following:

- (1) Current amounts of Accumulated Contributions of Participants on both an individual and aggregate account basis, and
- (2) receipts and disbursements, and
- (3) benefit payments, and
- (4) current amounts clearly reflecting all monies, funds and assets whatsoever attributable to contributions and deposits from the Employer, and
- (5) all interest, dividends and gains (or losses), and
- (6) such other entries as may be properly required so as to reflect a clear and complete financial report of the Fund.

(E) An independent audit shall be performed annually by a certified public accountant for the most recent fiscal year of the Employer showing a listing of assets and a statement of all income and disbursements during the year. Such income and disbursements must be reconciled with the assets at the beginning and end of the year. Such report shall reflect a complete evaluation of assets on a cost and market basis, as well as other items normally included in a certified audit.

(F) 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 governing body of the Employer to amend or terminate this Plan, provided that no amendment or termination shall ever result in the use of any assets of the Fund except for the payment of regular expenses and benefits under this Plan, and except as otherwise provided in this Plan. All contributions deposited into the Fund, and the income thereof, without distinction between principal and income, shall be held and administered by the Board, or its agent, in the Fund, and the Board shall not be required to segregate or invest separately any portion of the Fund.

(2) All monies paid into or held in the Fund shall be invested and reinvested by the Board. The Fund shall be invested in accordance with an established investment policy adopted by the Board.

(3) The Board may cause any investment in securities held by it to be registered in or transferred into its name as Trustee or into the name of such nominee as it may direct, or it may retain them unregistered and in a form permitting transferability, but the books and records shall at all times show that all investments are part of the Trust Fund.

(4) 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, recapitalization, 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 with the Trustee or with depositories 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 an owner with respect to stocks, bonds, or other investments comprising the Fund which it may deem to be in the best interest of the Fund to exercise.

(5) Any overpayments or underpayments from the Fund to a Participant or beneficiary caused by errors of computation shall be adjusted with interest at a rate per annum as utilized in the prior years' actuarial valuation. Overpayments shall be charged against payments next succeeding the correction. Underpayments shall be made up from the Trust Fund.

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

(7) Any powers and functions of 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 the Fund always remain with the Board.

## **ARTICLE 5**

### **CONTRIBUTIONS**

#### **5.01 Employee Contribution Rates:**

Effective the first full pay period on or after the ratification date of the 2012-2015 General Employees Collective Bargaining Agreement, all active members shall make regular contributions to the trust fund at a rate equal to one percent (1%) of salary.

Effective October 10, 2013, all active members shall make regular contributions to the trust fund at a rate equal to one and one-half percent (1.5%) of salary.

Effective October 9, 2014, all active members shall make regular contributions to the trust fund at a rate equal to two and one-half percent (2.5%) of salary.

Notwithstanding any other provision of this section, all active members hired on or after October 1, 2013 shall make regular contributions to the trust fund at a rate equal to three percent (3%) of salary.

**Method:** Participant contributions shall be made by payroll deduction. Participant contributions withheld by the Employer on behalf of the Participant shall be deposited in the Fund immediately after each pay period.

**Picked Up Contributions:** The Town shall pick up the employee contributions required above for all salary earned after October 1, 2013. The contributions so picked up shall be treated as contributions being paid by the employer in lieu of contributions by the employee in determining tax treatment under Section 414(h) of the United States Internal Revenue Code. Employee contributions picked up by the Town pursuant to this subsection shall be treated for all other purposes as employee contributions.

### **5.02 Employer Contributions**

So long as this Plan is in effect, the Employer shall deposit at least quarterly contributions for each Plan Year to the Trust Fund in an amount equal to or greater than the amount determined by the Actuary, and the total cost for the Plan Year, as represented in the most recent actuarial valuation of the Plan. The total cost for each Plan Year shall be defined as the total normal cost plus the additional amount sufficient to amortize the unfunded past service liability as provided in Part VII of Chapter 112, Florida Statutes.

### **5.03 Other**

Private donations, gifts and contributions may be deposited to the Fund.

## ARTICLE 6

### BENEFIT AMOUNTS AND ELIGIBILITY

#### **6.01 Normal Retirement Date**

A Participant's Normal Retirement Date shall be the first day of the month coincident with, or next following attainment of age:

For General Employees, the Normal Retirement Date is attainment of age sixty (60) and six (6) years of Vested Service or age fifty-six (56) and thirty (30) years of Vested Service.

For Management Employees, the Normal Retirement Date is attainment of age fifty-two (52) and three (3) years of Vested Service or age forty-eight (48) and twenty (20) years of Vested Service.

For all members hired on or after October 1, 2013, the normal retirement date is the attainment of age sixty-five (65) with ten (10) years of credited service or thirty (30) years of Vested Service and age sixty (60).

A Participant may retire on his Normal Retirement Date or on the first day of any month thereafter. Normal Retirement under the Plan is retirement from employment with the Employer on or after the Normal Retirement Date and completion of the required years of vested service.

#### **6.02 Normal Retirement Benefit**

(1) *Commencement of Normal Retirement Benefit:* A Participant retiring hereunder on or after his Normal Retirement Date shall receive a monthly benefit as specified below, which shall commence on the first day of the month coincident with or next following his termination of employment.

(2) *Calculation of Normal Retirement Benefit:* The monthly retirement benefit shall be a single life annuity equal to:

For General Employees hired prior to October 1, 2013, the Normal Retirement Benefit shall be a monthly benefit equal to the number of years of Credited Service multiplied by Average Final Compensation and multiplied by two percent (2%).

For Management Employees hired prior to October 1, 2013, the Normal Retirement Benefit shall be a monthly benefit equal to the number of years of Credited Service multiplied by Average Final Compensation and multiplied by three percent (3%).

For all members hired on or after October 1, 2013, the Normal Retirement Benefit shall be a monthly benefit equal to the number of years of Credited Service multiplied by Average Final Compensation and multiplied by one and eight-tenths percent (1.8%).

In the event that a Participant does not begin to receive his Benefit at his Normal Retirement Date, such Participant shall be entitled to a deferred benefit equal to the benefit he was entitled to receive at his Normal Retirement Date, adjusted to take into account his Average Final Compensation and years of Credited Service as of his actual retirement date.

(3) *Coordination of benefits for Promoted Management Employees:* For Promoted Management Employees hired prior to October 1, 2013, benefits shall be coordinated as follows between Credited Service earned as a General Employee and Credited Service earned as a Management Employee:

(a) *Vesting:* Participants shall be deemed vested after earning three (3) or more years of Credited Service as a Management Employee. Participants with less than three (3) years of Credited Service as a Management Employee shall be deemed vested after earning a total of six (6) years of Credit Service. If a Participant has not earned three (3) or more years of Credited Service as a



Management Employee, Credited Service as a General Employee and as a Management Employee shall be aggregated in order to meet the six (6) year vesting requirement.

(b) *Separate Normal Retirement Dates:* Management Employee benefits shall be paid beginning on the Normal Retirement Date for Management Employees, pursuant to Section 1.19. General Employee benefits shall be paid beginning on the Normal Retirement Date for General Employees, pursuant to Section 1.19.

(c) *Separate Benefit Calculations:* Management Employee benefits shall be calculated using the three percent (3%) multiplier applied to Credited Service as a Management Employee. General Employee benefits shall be calculated using the two percent (2%) multiplier applied to Credited Service as a General Employee.

(d) *Ability to Upgrade prior General Employee Service:* General Employee Participants who are promoted to Management Employee shall be permitted to upgrade their Credited Service as a General Employee to Credited Service as a Management Employee by paying the full actuarial cost of the upgraded service, provided that the Participant independently vests pursuant to subsection (a). Participants may elect to upgrade Credited Service at any time after being promoted, provided that the full actuarial cost is paid by the Participant. Upgraded service may not be used for vesting purposes under subsection (a).

### **6.03 Normal Form of Benefit**

The normal form of benefit shall be a single monthly retirement benefit for life, ceasing upon death. Optional forms of benefits are set forth in Article 10.

#### **6.04 Cost of Living Adjustments to Benefit Payments**

A three percent (3%) cost of living increase is awarded to benefit payments each year a benefit is in force after the benefit has been paid for five (5) years. This increase will begin with the sixty-first payment and adjusted annually.

## **6.05 DEFERRED RETIREMENT OPTION PROGRAM or "DROP"**

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 plan may elect to participate, deferring receipt of retirement benefits while continuing employment with the Town of Davie. The deferred monthly benefits shall accrue in the Trust Fund on behalf of the participant, plus interest compounded annually, for the specified period of the DROP participation, as provided in paragraph (c). Upon termination of employment, the participant shall receive the total DROP benefits and begin to receive the previously determined Normal Retirement Benefits.

### **(a) Eligibility of member to participate in the DROP.**

Effective October 1, 2003, all active members are eligible to elect participation in the DROP for a full five year period once the member reaches Normal Retirement Eligibility.

The member shall advise the Board, in writing of the date on which the DROP shall begin.

### **(b) Participation in the DROP**

1. An eligible member may elect to participate in the DROP for a period not to exceed a maximum of 60 calendar months, provided that the member elects to participate in DROP within five years of the date the member first reaches their Normal Retirement date. A member shall not be eligible to participate in DROP if their DROP election is not received within five years of their Normal Retirement date.
2. Upon deciding to participate in the DROP, the member shall submit, on forms:
  - a. A written election to participate in the DROP;
  - b. Selection of the DROP participation and termination dates, which satisfy the limitations stated in paragraph (a) and subparagraph 1. Such termination date shall be in a binding letter of resignation with the employer, establishing a deferred termination date. The member may change the termination date within the

limitations of subparagraph 1, but only with the written approval of his or her employer.

c. A properly completed DROP application for service retirement as provided in this section; and

d. Any other information required.

3. The DROP participant shall be a retiree under the Retirement Plan & Trust for the employees of the Town of Davie. However, participation in the DROP does not alter the participant's employment status and such employee shall not be deemed retired from employment until his or her deferred resignation is effective and termination occurs.

**(c) Benefits payable under the DROP**

1. Effective with the date of DROP participation, the member's initial normal monthly benefit, including creditable service, optional form of payment, and average final compensation, and the effective date of retirement shall be fixed. The beneficiary shall be the beneficiary eligible to receive any DROP benefits payable if the DROP participant dies prior to the completion of the period of DROP participation. In the event a joint annuitant predeceases the member, the member may name a beneficiary to receive accumulated DROP benefits payable. Retirement benefits shall accrue monthly in the Trust Fund. Interest shall accrue at an effective annual rate of 6.5 percent compounded monthly, on the prior month's accumulated ending balance, up to the month of termination or death.

2. The effective date of DROP participation and 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, provided such date is properly established, with the written confirmation of the employer.

3. 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.

4. At the conclusion of the participant's DROP, the TRUST shall distribute the participant's total accumulated DROP benefits, subject to the following provisions:
- a. The terminated DROP participant or, if deceased, such participant's named beneficiary, shall elect on forms 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 days of termination of the DROP, the division will pay a lump sum as provided in sub-sub-subparagraph (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 s. 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 s. 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 s. 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 s. 402(c)(9) of the Internal Revenue Code. The proportions shall be specified by the DROP participant or surviving beneficiary.
  - b. The form of payment selected by the DROP participant or surviving beneficiary complies with the minimum distribution requirements of the Internal Revenue Code.
  - c. A DROP participant who fails to terminate employment shall be deemed not to have retired, and the DROP election shall be null and void. Membership in the plan

shall be reestablished retroactively to the date of the commencement of the DROP.

5. The accrued benefits of any DROP participant, and any contributions accumulated under such program, shall not be subject to assignment, execution, attachment, or to any legal process whatsoever, except for qualified domestic relations orders by a court of competent jurisdiction, income deduction orders and federal income tax levies.
6. DROP participants shall not be eligible for disability retirement benefits.

**(d) Death benefits under the DROP**

1. Upon the death of a DROP participant, the named beneficiary shall be entitled to apply for and receive the accrued benefits in the DROP.
2. 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.
3. 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, Normal Retirement Benefits shall be paid in accordance with regular retirement benefit provisions.
4. A DROP participants' survivors shall not be eligible to receive active member death benefits.

**(e) Forfeiture of retirement benefits**

Nothing in this section shall be construed to remove DROP participants from the scope of s. 8(d), Art. II of the State Constitution, s. 112.3173. 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.

## ARTICLE 7

### PRE-RETIREMENT DEATH

#### 7.01 Death Prior to Vesting

If a General Employee hired prior to October 1, 2013 dies prior to Normal Retirement Date, and has less than six (6) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

If a Management Employee hired prior to October 1, 2013 dies prior to Normal Retirement Date, and has less than three (3) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

If any member hired on or after October 1, 2013 dies prior to Normal Retirement Date, and has less than ten (10) years of Vested Service, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions, if applicable, with five percent (5%) interest.

#### 7.02 Death After Vesting

If a General Employee hired prior to October 1, 2013 dies prior to or after Normal Retirement Date, and has completed six (6) or more years of Vested Service, the beneficiary shall receive the benefit otherwise payable to the member at the member's Normal Retirement Date. Alternatively, the beneficiary may elect to receive an actuarially equivalent benefit prior to the Normal Retirement Date.

If a Management Employee hired prior to October 1, 2013 dies prior to or after Normal Retirement Date, and has completed three (3) or more years of Vested Service, the beneficiary shall receive the actuarially equivalent benefit otherwise payable to the member at the member's Normal Retirement Date. Alternatively, the beneficiary may elect to receive an actuarially equivalent benefit prior to the Normal Retirement Date.

If any member hired on or after October 1, 2013 dies prior to or after Normal Retirement Date, and has completed ten (10) or more years of Vested Service, the beneficiary shall receive the benefit otherwise payable to the member at the member's Normal Retirement Date. Alternatively, the beneficiary may elect to receive an actuarially equivalent benefit prior to the Normal Retirement Date.

**7.03 Beneficiaries Receipt of Payment** A Beneficiary may not elect an optional form of benefit, however, the Board may elect to make a lump sum payment pursuant to Article 10(F) to a beneficiary of the death benefits payable hereunder.



## ARTICLE 8

### DISABILITY

#### 8.01 Disability Benefits

(A) *Non-Duty Disability Benefit:*

Any employee who shall become Totally and Permanently Disabled, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a disability benefit. The employee shall bear the burden of proof:

(1) ~~Tier 1~~ *General Employee Members Hired prior to October 1, 2013*: General Employees, who have completed six (6) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit. If a General Employee has less than six (6) years of Vested Service, they will receive a return of their employee contribution, if applicable, with six percent (6%) interest.

(2) ~~Tier 1~~ *Management Members Hired prior to October 1, 2013*: Management Employees, who have completed three (3) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit with a minimum of three (3) years Credited Service. If a Management Employee has less than three (3) years of Vested Service, they will receive a return of their employee contribution, if applicable, with six percent (6%) interest.

(3) ~~Tier 2~~ *Members Hired on or after October 1, 2013*: All members hired on or after October 1, 2013 who have completed ten (10) years of Vested Service, that are deemed by the Board to be totally and permanently disabled will receive their Accrued Benefit with a minimum of ten (10) years of Credited Service. If a member hired on or after October 1, 2013 has less than ten (10) years of Vested Service, they will receive a return of their employee contributions, if applicable, with six percent (6%) interest.

*(B) Duty Disability Benefit:*

All members, regardless of tier date of hire, shall be entitled to a duty disability benefit if they become Totally and Permanently disabled in the line of duty, regardless of length of service. The duty disability benefit shall be the accrued benefit, but shall not be less than twenty percent (20%) of Average Final Compensation at the time of disability.

Any employee who shall prove that they become Totally and Permanently Disabled in the line of duty, to the extent that they are unable by reason of a medically determinable physical or mental impairment to render useful and efficient service, shall upon establishing the Total and Permanent Disability to the satisfaction of the Board of Trustees be entitled to a duty disability benefit. The employee shall bear the burden of proof.

**8.02 Conditions Disqualifying Disability Benefits**

Each Participant who is claiming disability benefits shall establish, to the satisfaction of the Board that such disability was not occasioned primarily by:

- (A) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (B) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections, or while committing a crime.
- (C) Injury or disease sustained while serving in any branch of the Armed Forces.
- (D) Injury or disease sustained after his employment as a Participant with the Employer had terminated.
- (E) Pre-existing medical conditions unless the nature of the injury or illness giving rise to the disability would reasonably be expected to give rise to disability in a person without the pre-existing condition.

A duty related disability based upon a mental injury shall not be granted unless it is proven by clear and convincing evidence that the injury was the result of sudden, unexpected and extraordinary stress directly related to the Participant's employment.

### **8.03 Physical Examination Requirement**

A Participant shall not become eligible for disability benefits until and unless he undergoes physical examination by a qualified physician or physicians and/or surgeons or surgeons, who shall be selected by the Board for that purpose. The Board may, but need not, rely on a treating physician as the Board's qualified physician for this purpose.

Any Participant receiving disability benefits under this Plan may be periodically re-examined by a qualified physician or physicians and/or surgeon or surgeons who shall be selected by the Board, to determine if such disability has ceased to exist. If the Board finds that the former Participant is no longer Permanently and Totally Disabled to the extent that he is able to render useful and efficient service, the Board shall recommend to the Employer that the former Participant be returned to performance of duty and shall again become eligible to Participate in the Plan. In the event the former Participant so ordered to return to employment shall refuse to comply with the order within thirty (30) days from the issuance thereof, the Participant shall forfeit the right to his benefits hereunder.

The cost of the physical examination and/or re-examination of the Participant claiming and or receiving disability benefits shall be paid by the Plan. All other reasonable costs as determined by the Board incident to the physical examination, such as, but not limited to, transportation, meals and hotel accommodations, shall be paid by the Plan.

If a Participant recovers from disability and reenters the service of the Employer as a Participant, his service will be deemed to have been continuous, but the period beginning with the first month for which he received a disability retirement income payment and ending with the date he reentered the service of the Employer will not be considered as Credited Service for the purposes of the Plan. The Board shall have the power and authority to make the final decision regarding all disability claims.

#### **8.04 Disability Payments**

The monthly benefit to which a Participant is entitled in the event of the Participant's disability shall be payable on the first day of the first month after the Board determines such entitlement. Provided, however, the Participant may select, at any time prior to the date on which benefit payments begin, an optional form of benefit payment as described in Article 10, Optional Forms of Benefits, which shall be the Actuarial Equivalent of the normal form of benefit. The amount of the first disability payment shall include an amount payable from the date the Board determined such entitlement. Disability benefits shall cease:

(A) If the Participant recovers from the disability prior to his Normal Retirement Date, the payment due next proceeding the date of such recovery, or

(B) If the Participant dies without recovering from disability or attains Normal Retirement Date, the payment due next proceeding his death.

#### **8.05 Disability Payments & Workers Compensation**

If a Participant receives a disability benefit under the Plan and workers compensation benefits pursuant to Chapter 440, Fl. Stat., for the same disability and the total monthly benefits received from both exceed one hundred percent (100%) of the Participants' average monthly wage determined in accordance with Chapter 440, Fl. Stat., the disability pension benefit shall be reduced so that the total monthly amount received by the Participant does not exceed one hundred percent (100%) of such average monthly wage. In the event of a lump sum workers compensation settlement, the disability retirement income payable from the Plan shall be adjusted as follows:

(A) The amount of the lump sum settlement shall be divided by the Participant's remaining life expectancy (in months) as determined using the actuarial assumptions represented in the last completed valuation of the Plan.

(B) If the number obtained in paragraph (A) above, when added to the Participant's monthly disability retirement income from the Plan, exceeds the Participant's final monthly compensation on the date of disability, the amount of the excess shall be

deducted from the Participant's monthly disability retirement income from the pension plan, for the duration of the Participant's remaining life expectancy as determined in paragraph (A) above.

(C) If the number obtained in paragraph (A) above, when added to the Participant's monthly disability retirement income from the Plan, does not exceed the Participant's final monthly compensation on the date of disability, there shall be no reduction of the Participant's disability benefit from the plan.

## ARTICLE 9

### VESTING

If a Participant terminates his employment with the Employer for reasons other than retirement, disability or death, the Participant shall be entitled to the following:

(A) ~~Vesting shall occur for~~ General Employees hired prior to October 1, 2013 shall vest after the attainment of six (6) years of Vested Service. ~~Vesting shall occur for~~ Management Employees hired prior to October 1, 2013 shall vest after three (3) years of vesting service.

(1) If a General Employee has less than six (6) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution with six percent (6%) interest, or the member may leave it deposited with the Fund pending future employment with the Town of Davie. Interest shall not be credited if the Participant elects to keep contributions deposited with the Fund pending future employment.

(2) If a General Employee has six (6) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided he does not elect to withdraw his contributions and provided he survives to his normal or early retirement date.

(3) If a Management Employee has less than three (3) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution with six percent (6%) interest, or the member may leave it deposited with the Fund pending future employment with the Town of Davie. Interest shall not be credited if the Participant elects to keep contributions deposited with the Fund pending future employment.

(4) If a Management Employee has three (3) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided he

does not elect to withdraw his contributions and provided he survives to his normal or early retirement date.

For all members (regardless of classification) hired on or after October 1, 2013, if a member has less than ten (10) years of Vested Service upon termination, the member shall be entitled to a refund of their accumulated employee contribution with six percent (6%) interest or the member may leave it deposited with the Fund pending future employment with the Town of Davie. Interest shall not be credited if the Participant elects to keep contributions deposited with the Fund pending future employment.

For all members (regardless of classification) hired on or after October 1, 2013, if a member has ten (10) or more years of Vested Service upon termination, the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal retirement date, provided the member does not elect to withdraw their contributions and provided they survive to their normal or early retirement date.

If a retired Participant who is collecting benefits is rehired, the Participant shall be required to revest in the Plan as a new Member in order to receive additional benefits. To the extent permitted by law, the Participant shall continue to receive monthly benefits earned prior to being rehired.

(B) Any vested Participant of the Plan who is no longer eligible to participate in this Plan due to a change of employment, but who remains employed by the Employer in a class not eligible to participate under this Plan, shall have his Accrued Benefit to the date of such termination under this Plan preserved, provided he does not elect to withdraw his Accumulated Contributions from this Plan. Such Accrued Benefit shall be payable at his otherwise Normal Retirement Date hereunder in accordance with the provisions of this Plan.

(C) If a Participant who terminates employment prior to his Normal Retirement Date and elects to withdraw Accumulated Contributions, is subsequently reemployed and again becomes a Participant in this Plan, his Credited Service for purposes of vesting and benefit accruals shall not include any periods of employment prior to his reemployment date unless he repays to the Fund his Accumulated Contributions previously withdrawn with interest, as determined by the Board, within ninety (90) days after reemployment. If a Participant repays the foregoing amount to the Fund within the prescribed time period, the interest of the Participant in his Accrued Benefit previously forfeited shall be restored in full and the Participant's Credited Service shall be based on all periods of employment.



## ARTICLE 10

### OPTIONAL FORMS OF BENEFITS

(A) In lieu of the normal form of benefit as specified herein, a Participant's Normal Retirement or Disability Benefit may be paid in an optional form as selected by the Participant.

Subject to the approval of the Board or its designee, the Participant may elect to receive the Actuarial Equivalent of the benefit otherwise payable to the Participant in accordance with one of the following options:

1. Monthly income payments for the life of the Participant with 120 payments certain.
2. Monthly income payment for the life of the Participant and after his death, a joint pensioner benefit payable for the life of the joint pensioner equal to, 100%, 75%, 66 2/3%, or 50% of the amount payable to the Participant.
3. Such other amount and form of retirement benefit payment that, in the opinion of the Board, will meet the circumstances of the Participant and the Trust.
4. Lump Sum Payments are not allowed.

(B) The Participant, upon electing any option pursuant to this Article, will designate the joint pensioner or beneficiary (or beneficiaries) to receive the benefit, if any, payable under the Plan in the event of Participant's death, and will have the power to change such designation from time to time. Such designation will name a joint pensioner or one or more primary beneficiaries where applicable. A Participant may change their Beneficiary at any time. If a Participant has elected an option with a joint pensioner and the Participant's retirement benefits have commenced, the Participant may thereafter change their designated Beneficiary at any time, but may only change their joint pensioner twice. Subject to this restriction, a Participant may substitute a new joint pensioner for a deceased joint pensioner.

(C) Upon change of a Participant's joint pensioner in accordance with this Article, the amount of the retirement income payable to the Participant shall be actuarially re-determined to take into account the age of the former joint pensioner, the new joint pensioner and the Participant and to ensure that the benefit paid is the Actuarial Equivalent of the present value of the Participant's then-current benefit at the time of change. Any such Participant shall pay the actuarial recalculation expenses. Each request for a change will be made in writing on a form prepared by the Board and on completion will be filed with the Board. In the event that no designated Beneficiary survives the Participant, such benefits as are payable in the event of the death of the Participant subsequent to his or her retirement shall be paid as provided in Section 11, Beneficiaries.

(D) Benefit payments shall be made under the option elected in accordance with the provisions of this Article and shall be subject to the following limitations:

1. If a Participant dies prior to his or her Normal Retirement Date the beneficiary will receive a benefit paid under the normal form of benefit in accordance with Article 7, Pre-Retirement Death.
2. If both the retired Participant and the beneficiary (or beneficiaries) designated by Participant die before full payment has been effected under any option providing for payments for a period certain and life thereafter, the value of the remaining payments shall be paid in such other amount and form of retirement benefit payment that, in the opinion of the Board, will meet the circumstances of the retiree and the Trust in accordance Article 11.
3. If the designated Beneficiary (or Beneficiaries) or joint pensioner dies before the Participant's retirement under the Plan, the option elected will be canceled automatically and a retirement income of the normal form and amount will be payable to the Participant upon their retirement as if the election had not been made, unless a new election is made in accordance with provisions of this Article or a new Beneficiary is designated by the Participant prior to their retirement.

4. If a Participant continues employment beyond their Normal Retirement Date, and dies prior to his actual retirement and while an option made pursuant to the provisions of the Plan is in effect, monthly retirement income payments will be made, or a retirement benefit will be paid, under the option to a Beneficiary (or Beneficiaries) designated by the Participant in the amount or amounts computed as if the Participant had retired under the option on the date on which their death occurred.

(E) Unless otherwise allowed by law, a Participant may not change their benefit payment option after the date of cashing or depositing their first benefit check.

(F) Notwithstanding anything herein to the contrary, the Board in its discretion, may elect to make a lump sum payment to a Participant or a Participant's Beneficiary in the event that the monthly benefit amount is less than one hundred dollars (\$100), or the total commuted value of the remaining monthly income payments to be paid does not exceed five thousand dollars (\$5,000). Any such payment made to any person pursuant to the power and discretion conferred upon the Board by the preceding sentence shall operate as a complete discharge of all obligations under the Plan with regard to such Participant and shall not be subject to review by anyone, but shall be final, binding and conclusive on all persons.

## **ARTICLE 11**

### **BENEFICIARIES**

(A) Each Participant may, on a form provided for that purpose, signed and filed with the Board, designate a beneficiary (or beneficiaries) to receive the benefit, if any, which may be payable in the event of their death and each designation may be revoked by such Participant by signing and filing with the Board a new designation-of-beneficiary form. The consent of a Participant's beneficiary to any change of beneficiary shall not be required.

(B) If a deceased Participant fails to name a beneficiary in the manner prescribed in Section A, or if the beneficiary (or beneficiaries) named by a deceased Participant predeceases the Participant, the death benefit, if any, which may be payable under the Plan with respect to such deceased Participant shall be paid by the Board to the estate of the Participant, and the Board, in its discretion, may direct that the commuted value of the remaining value of the remaining monthly income benefits be paid in a lump sum in accordance with section 10(f).

Any payment made to any person pursuant to this Section shall operate as a complete discharge of all obligations under the Plan with regard to the deceased Participant and any other persons with rights under the Plan and shall not be subject to review by anyone but shall be final, binding, and conclusive on all persons ever interested hereunder.

## **ARTICLE 12**

### **CLAIMS PROCEDURES**

The Board shall establish administrative claims procedures to be utilized in processing written requests ("claims"), on matters which affect the substantial rights of any person ("claimant"), including Participants, retirees, Beneficiaries, or any person affected by a decision of the Board, which are set forth in Rule 7 of the Board's Operating Rules & Procedures.

## **ARTICLE 13**

**This section intentionally left blank**

## **ARTICLE 14**

### **ROSTER OF RETIREES**

The Secretary of the Board shall keep a record of all persons receiving a benefit or vested Participants who will receive a future vested benefit under the provisions of this Plan in which it shall be noted the time when the benefit became payable. Additionally, the Secretary shall keep a record of all Participants employed by the Employer in such a manner as to show the name, address, date of employment and date such employment is terminated.

## **ARTICLE 15**

### **BOARD ATTORNEY AND PROFESSIONALS**

The Board may employ independent legal counsel at the Fund's expense for the purposes contained herein, together with such other professional, technical, or other advisors, as the Board deems necessary.

## **ARTICLE 16**

### **MAXIMUM PENSION**

**16.01 Basic Limitations** Subject to the adjustments hereinafter set forth, the maximum amount of annual retirement income payable with respect to a Participant under this Plan shall not exceed the dollar amount as may be allowable for any calendar year pursuant to §415(b) of the Code

**16.02 Participation in Other Defined Benefit Plans**

The limitation of this Article with respect to any Participant who at any time has been a Participant in any other defined benefit plan (as defined in §414(j) of the Code) maintained by the Employer shall apply as if the total benefits payable under all defined benefit plans in which the Participant has been a Participant were payable from one Plan.

**16.03 Adjustments in Limitations**

(A) In the event the Participant's retirement benefits become payable before age sixty-two (62), the maximum amount of annual retirement income limitation prescribed by this Article shall be reduced in accordance with Regulations issued by the Secretary of the Treasury, so that such limitation (as so reduced) equals an annual benefit (beginning when such retirement income benefit begins) which is equivalent to the maximum amount of annual retirement income as prescribed by this Article beginning at age 62.

(B) In the event the Participant's benefit is based on at least fifteen (15) years of Credited Service, the adjustments provided for in A. above shall not apply.

(C) The reductions provided for in A. above shall not be applicable to disability benefits, or pre-retirement death benefits.

(D) In the event the Participant's retirement benefit becomes payable after age sixty-five (65), for purposes of determining whether this benefit meets the limitation set forth in Section 16.01 herein, such benefit shall be adjusted so that it is actuarially equivalent to the benefit beginning at age sixty-five (65). This adjustment shall be made using an assumed interest rate of five percent (5%) and shall be made in accordance with regulations promulgated by the Secretary of the Treasury or their delegate.

(E) Less than Ten (10) Years of Service. The maximum retirement benefits payable under this Article to any Participant who has completed less than ten (10) years of Credited Service with the Employer shall be the amount determined under Section 16.01 herein, multiplied by a fraction, the numerator of which is the number of the Participant's years of Credited Service and the denominator of which is ten (10). The reduction provided for in this subsection shall not be applicable to disability benefits or pre-retirement death benefits.

(F) Ten Thousand Dollar \$10,000 Limit. Notwithstanding the foregoing, the retirement benefit payable with respect to a Participant shall be deemed not to exceed the limitations set forth in this Article if the benefits payable, with respect to such Participant under this Plan and under all other qualified defined benefit pension plans to which the Employer contributes, do not exceed ten thousand dollars (\$10,000) for the applicable Plan Year and for any prior Plan Year and the Employer has not at any time maintained a qualified defined contribution plan in which the Participant participated.



(G) Reduction of benefits. Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the Participant's benefit under any defined benefit plans in which Participant participated, such reduction to be made first with respect to the plan in which Participant most recently accrued benefits and thereafter in such priority as shall be determined by the Board and the plan administrator of such other plans, and next, by reducing or allocating excess forfeitures for defined contribution plans in which the Participant participated, such reduction to be made first with respect to the plan in which Participant most recently accrued benefits and thereafter in such priority as shall be established by the Board and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the Board and the plan administrator of all other plans covering such Participant.

(H) Cost-of-Living Adjustments. The limitations as stated herein shall be adjusted to the time the payment of a benefit begins, in accordance with any cost-of-living adjustments prescribed by the Secretary of the Treasury pursuant to §415(d) of the Code.

(I) Additional Limitation on Pension Benefits.

Notwithstanding anything herein to the contrary:

(1) the normal retirement benefit or pension payable to a Retiree who becomes a Participant of the Plan on or after January 1, 1980, and who has not previously participated in such Plan, shall not exceed 100 percent of their Average Final Compensation. However, nothing contained in this Article shall apply to supplemental

retirement benefits or to pension increases attributable to cost-of-living increases or adjustments.

(2) no Participant of the Plan shall be allowed to receive a retirement benefit or pension which is in part or in whole based upon any service with respect to which the Participant is already receiving, or will receive in the future, a retirement benefit or pension from a different employer's retirement plan. This restriction does not apply to social security benefits or federal benefits as provided under federal law.

#### **16.04 Benefit Restoration Plan & Trust**

(A) An Employer may fund a Benefit Restoration Plan as permitted under Code Section 415(m) as specified in this Section

#### **(B) Definitions**

(1) **"Information Sheet":**

is the document executed by the Employer providing specific information as to that Employer.

(2) **"Participant":**

means an employee of the Employer who is eligible to receive benefits under this Benefit Restoration Plan, under (C).

(3) **"Pensioner":**

means a former employee of the Employer who is retired and receiving retirement benefits.

(4) **"Benefit Restoration Plan":**

means the provisions of section 16.04, which is hereby established for the payment of retirement benefits supplementing the Plan benefits as permitted under Code Section 415(m).

(5) **"Benefit Restoration Plan Year":**

means the limitation year of the Plan under Code Section 415.

(6) **"Plan":**

means the Retirement Plan and Trust for the Management and General Employees of the Town of Davie, and with respect to which this Benefit Restoration Plan will provide supplemental benefits .

(7) **"Trust":**

means the trust fund established in section 4.02 of this Benefit Restoration Plan, which shall constitute a separate trust fund from the trust fund maintained under the Plan.

(8) **"Board":**

means the Board of Trustees of the Plan, serving in the separate capacity as Trustees of this benefit Restoration Plan.

**(C) PARTICIPATION**

- (1) All Participants, Pensioners and Beneficiaries of the Plan whose retirement or survivor benefits from that Plan for a Plan Year have been limited by Code Section 415 are eligible to participate in this Benefit Restoration Plan, unless excluded by category under the terms of the Information Sheet.
- (2) Participation in the Benefit Restoration Plan is automatic. Any Participant, Pensioner or Beneficiary who is eligible for benefits is entitled to such benefits without the necessity of enrollment. Participation in the Benefit Restoration Plan will cease for any Plan Year in which the retirement benefit of a Pensioner or Beneficiary is not limited by Code Section 415.

**(D) BENEFITS**

**(1) Benefit Amount**

A covered Pensioner or Beneficiary shall receive a monthly benefit equal to the difference between the participant's monthly retirement benefit otherwise

payable from the Plan prior to any reduction or limitation because of Code Section 415 and the actual monthly retirement benefit payable from the Plan as limited by Code Section 415. The monthly benefit shall be subject to withholding for any applicable income or employment taxes.

**(2) Payment of Benefit**

Benefits under the Benefit Restoration Plan shall be paid only if the Pensioner or Beneficiary is receiving retirement benefits from the Plan.

**(3) Form of Benefit**

The form of the benefit paid to a Pensioner or Beneficiary from the Benefit Restoration Plan shall be the same payable under the Plan.

**(E) CONTRIBUTIONS AND FUNDING**

**(1) Contributions**

(a) The Board, upon the recommendation of the actuary, shall determine the required contributions to pay plan benefits in accordance with (2) below. The required contribution for each Plan Year shall be the total amount of benefits payable under Section 3 to all Pensioners and Beneficiaries, plus such amount as determined by the Board to pay the administrative expenses of the Benefit Restoration Plan and the Employer's share of any employment taxes on the benefits paid from the Plan.

(b) The required contribution as determined by the Board, upon the recommendation of the actuary, shall be paid into the Trust from an allocation of the Employer contribution amounts paid under the Plan.

**(2) Benefit Restoration Plan Trust Fund**

Contributions to the Benefit Restoration Plan shall be deposited in the separate Trust established and administered by the Board. This Trust is intended to be exempt from federal income tax under Code Sections 115 and 415(m)(1). The Trust assets shall be subject to the claims of general creditors of the Employer in the case of bankruptcy.

**(3) Funding Assets**

The benefit liabilities of the Benefit Restoration Plan shall be funded on an as-needed basis. The Trust established under section (2) above shall not be

accumulated to pay benefits payable in future years. Accordingly, any assets of the Trust shall be invested by the Board in short-term investments as the Board may determine to assure preservation of principal rather than the generation of income.

**(4) Non-assignability of Benefits**

The benefits payable under this Benefit Restoration Plan may not be assigned or alienated, except as otherwise permitted for benefits payable by the Plan.

**(5) Amendment and Termination**

The Employer reserves the right to amend this Benefit Restoration Plan at any time. No modification or amendment of the Benefit Restoration Plan shall make it possible for any part of the income or assets of the fund to be used for, or diverted to, purposes other than for the exclusive benefit of the Participants, Pensioners and Beneficiaries, except as set forth in section (2) above.

The Employer reserves the right to discontinue or terminate this Benefit Restoration Plan in whole or in part. Upon a termination of the Benefit Restoration Plan, the Board shall take such steps as the Board determines to be necessary or desirable to comply with applicable laws and to apply any remaining assets.

If, after satisfaction of all liabilities, there is any balance remaining in the fund, such balance shall be refunded to the Employer if not otherwise prohibited by law.

**(F) ADMINISTRATION**

**(1) Benefit Restoration Plan Administration**

The Benefit Restoration Plan shall be administered by the Board. The Board shall have the same authority to administer the Benefit Restoration Plan as exists for the Plan. The Board may delegate any or all of the Board's administrative authority.

**(2) Compliance Authority**

The Board may make modifications to the benefits payable under the Benefit Restoration Plan as may be necessary to maintain its qualified status under Code Section 415(m).

**(3) No Liability for Benefits**

Since this Benefit Restoration Plan is not intended to accumulate funds, the Benefit Restoration Plan shall not be liable for the payment of any benefits except to the extent of funds actually received from the Employer and not previously distributed or applied to pay Benefit Restoration Plan expenses.

**(4)** This Benefit Restoration Plan shall be construed, administered and governed in all respects by the laws of the State of Florida.

**(G) EFFECTIVE DATES**

The Board shall pay benefits under the Benefit Restoration Plan beginning on or after the date specified on the Information Sheet.

## **ARTICLE 17**

### **DISTRIBUTION OF BENEFITS**

As of the Effective Date, this Plan shall pay all benefits in accordance with a good faith interpretation of the requirements of Code Section 401(a)(9) and the regulations promulgated thereunder, as applicable to a governmental plan as defined in Code Section 414(d). Notwithstanding any other provision of this Plan to the contrary, a form of retirement income payable from this Plan shall satisfy the following conditions:

- (A) If the retirement income is payable before the Participant's death,
- (1) It shall either be distributed or commence to the Participant not later than April 1 of the calendar year following the later of the calendar year in which the Participant attains age seventy and one-half (70½), or the calendar year in which the Participant retires; and,
- (2) the benefit shall be paid over the life of the Participant or over the lifetimes of the Participant and designated beneficiary and shall be paid over the period extending not beyond the life expectancy of the Participant and designated beneficiary

Where benefit payments have commenced in accordance with the preceding paragraphs and the Participant dies before their entire interest in the Plan has been distributed, the remaining portion of such interest in the Plan shall be distributed no less rapidly than under the form of distribution in effect at the time of the Participant's death.

- (B) If the Participant's death occurs before the distribution of their interest in the Plan has commenced, the Participant's entire interest in the Plan shall be distributed within five (5) years of the Participant's death, unless it is to be distributed in accordance with the following rules:

- (1) The Participant's remaining interest in the Plan is payable to their designated beneficiary.



(2) The remaining interest is to be distributed over the life of the designated beneficiary over a period not extending beyond the life expectancy of the designated beneficiary; and

(3) Such distribution begins within one year of the Participant's death unless the Participant's spouse shall receive the remaining interest in which case the distribution need not begin before the date on which the Participant would have attained age seventy and one-half (70½), and if the spouse dies before the distribution begins, this Article shall be applied as if the spouse were the Plan Participant.

(C) Direct Transfers of Eligible Rollover Distributions

(1) This paragraph applies to distributions made on or after January 1, 1993. Notwithstanding any provisions of the Plan to the contrary that would otherwise limit a distributee's (as defined below) election under this paragraph, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution (as defined below) paid directly to an eligible retirement plan (as defined below) specified by the distributee in a direct rollover (as defined below).

(2) For purposes of this paragraph, the following terms shall have the following meanings:

(i) 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: 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 ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9), and the portion of any distribution that is not included in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(ii) An "eligible retirement plan" is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), or a qualified trust described in Code Section 401(a), that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(iii) A "distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse is a distributee with regard to the interest of the spouse. For distributions occurring in plan years beginning after December 31, 2009 (or in any earlier plan year beginning after December 31, 2006), a distributee also includes the Participant's non-spouse designated beneficiary. In the case of a non-spouse beneficiary, the direct rollover may be made only to a traditional IRA or Roth IRA that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of § 402(c)(11). Also, in this case, the determination of any required minimum distribution under § 401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

(iv) A "direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.

## **ARTICLE 18**

### **MISCELLANEOUS PROVISIONS**

#### **18.01 Interest of Participants in Plan**

At no time prior to the satisfaction of all liabilities under the Plan with respect to Participants and 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. No plan amendment or ordinance shall be adopted by the Employer which shall have the effect of reducing the then vested accrued benefits of Participants or Participants' beneficiaries under the Plan.

#### **18.02 Summary Plan Descriptions**

The Summary Plan Description outlining the provisions of this Plan was designed only to give a brief description of the benefit provided and does not include all the provisions or exclusions in the Plan Document. If the Summary Plan Description disagrees with the Plan herein in any way, the Plan Document will govern.

#### **18.03 Gender and Number**

Wherever any words are used in the masculine, feminine or neutral gender, they shall be construed as though they were also used in another gender in all cases where they would apply. Whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would apply.

#### **18.04 Headings and References**

All headings and references to sections, subsections, paragraphs, etc., in this Plan are inserted for convenience only and shall not affect the construction or interpretation of this Plan.

#### **18.05 Benefit Improvements**

Benefit improvements which, in the past, have been provided for by amendments to the Plan adopted by the Employer by ordinance or resolution, and any benefit improvements which might be made in the future, shall apply prospectively and shall not apply to Participants who terminate employment or who retire prior to the effective date of any ordinance or resolution adopting such benefit improvements, unless such ordinance or resolution specifically provides to the contrary.

#### **18.06 Procedure for Unclaimed Benefit**

If the Board is unable, within ten years after any benefit becomes due to a Participant or Beneficiary under the Plan, to authorize payment because the identity or whereabouts of such person cannot be ascertained, the Board may direct that such benefit and all further benefits with respect to such person shall be forfeited and all liability for the payment thereof shall terminate.

#### **18.07 Qualified Military Service:**

Notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with § 414(u) of the Code.

Consistent with the Heroes Earning Assistance and Relief Tax (HEART) Act, a deceased person's period of qualified military service will be credited service under the Plan.

If a Participant dies while engaged in qualified military service, the Participant's beneficiaries shall be entitled to any benefits the Participant would have been entitled to as if the Participant had resumed employment immediately prior to his or her death in accordance with the Heroes Earning Assistance and Relief Tax (HEART) Act, and any regulations promulgated thereunder.

**18.08 Domestic Relations Order Submission:**

- (A) Prior to the entry of any domestic relations order which affects or purports to affect the Fund's responsibilities in connection with the payment of benefits, that order should be submitted through the Fund's administrator for review as to whether the Fund may honor it.
- (B) If the domestic relations order is not submitted to the administrator for review prior to entry, and the Fund is ordered to take action that it may not legally take, and the Fund expends administrative or legal fees in resolving the matter, the Participant who submitted the domestic relations order will be required to reimburse the Fund its expenses in connection with the order.
- (C) The administrator may develop rules or regulations concerning what the Fund will consider to determine if a domestic relations order may be complied with by the Fund.
- (D) Upon request, the Board's actuary will be available to provide divorce calculations, but the member shall be responsible for paying the cost of such calculations, including benefit recalculations, which shall be performed on an actuarial equivalent basis.
- (E) The treatment of former spouse beneficiaries shall be governed by HB 401, Chapter 2012-148.

**18.09 Option to Purchase Prior Credited Service**

Credited Service may be purchased for all years of service with the Town of Davie at actual actuarial cost. Up to five (5) years of credited service may be purchased for previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie, provided that no retirement benefits were provided for such previous full-time employment with the federal government, including military service, or any state, county, or city. Any participant who elects to purchase service as provided in this paragraph shall pay the full actuarial cost of such credited service on or before three (3) months from the date of the past service cost calculation prepared by the Plan actuary. Full payment for the purchase of past service

credit must be made before separation from Town employment. If full payment is not made by time of separation, credited service shall be based on amount of payment received.

### **MANAGEMENT AND NON-REPRESENTED GENERAL EMPLOYEES**

Credited service shall include credited service purchased by a member in accordance with this section:

(A) Participants who were employed in a position covered by the Plan prior to October 1, 2003, may purchase up to five (5) additional years of credited service under the Plan for all or a portion of their previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie. Any participant who elects to purchase previous full-time employment with the federal government, including military service, or any state, county or city government other than the Town of Davie, shall pay the full actuarial cost of such credited service on or before three (3) months from the date of the past service cost calculation prepared by the Plan actuary, in accordance with subsection (c) below. Notwithstanding the foregoing, any participant who was previously a member of the Plan and reenters the Plan shall not be obligated to purchase credited service previously credited within the Plan; previously credited service within the Plan shall be reinstated for such members.

(B) Participants with a hire date after October 1, 2003, may purchase up to five (5) additional years of credited service at any time within the first five (5) years of employment provided the member has paid into the plan the full actuarial cost of such credited service as determined by the plan actuary. No additional service credit will be allowed if the participant is receiving or will receive any other retirement benefit based on the prior government service.

(C) Payment for the purchase of credited service authorized in subsection (a) and (b), above, shall be made in one of the following manners:

1. Cash lump sum payment; or
2. Direct transfer or rollover of an eligible rollover distribution from a qualified Plan.

### **REPRESENTED GENERAL EMPLOYEES**

(A) Participants who were employed in a position covered by the Plan prior to October 1, 2006, may purchase up to five (5) additional years of credited service under the Plan for all or a portion of their previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie. Any participant who elects to purchase previous full-time employment with the federal government, including military service, or any state, county, or city government other than the Town of Davie, shall pay the full actuarial cost of such credited service on or before three (3) months from the date of the past service cost calculation, in accordance with subsection (c) below. Notwithstanding the foregoing, any participant who was previously a member of the Plan and reenters the Plan shall not be obligated to purchase credited service previously credited within the Plan; previously credited service within the Plan shall be reinstated for such members.

(B) Participants with a hire date after October 1, 2006, may purchase up to five (5) additional years of credited service within the first five (5) years of employment with the Town of Davie, provided the member has paid into the plan the full actuarial cost of such credited service as determined by the plan actuary. No additional service credit will be allowed if the participant is receiving or will receive any other retirement benefit based on the prior government service.

(C) Payment for the purchase of credited service authorized in subsection (a) and (b) above, shall be made in one of the following manners:

1. Cash lump sum payment; or
2. Direct transfer or rollover of an eligible rollover distribution from a qualified Plan.

(D) Management Employees who have been promoted from a General Employee position: If a Management Employee, as defined by Section 1.18.1, previously purchased credited service prior to being promoted, the Management Employee shall be provided the opportunity to pay the additional full actuarial cost to upgrade the prior service in order to obtain the Management Employee benefit corresponding to the prior service.

#### **18.10 Buyback Refunds**

Following the purchase of Credited Service, a vested member shall not be entitled to a refund of their buyback contribution, unless the member agrees in writing to forfeit their entire benefit.



## **ARTICLE 19**

### **REPEAL OR TERMINATION OF PLAN**

**(A)** This Plan and Fund may be modified, terminated, or amended, in whole or in part at any time by the Employer; provided that if this Plan or any subsequent ordinance or resolution 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 Participant or beneficiary shall not be affected thereby, except to the extent that the assets of the Fund may be determined to be inadequate.

**(B)** If this Plan shall be repealed, or if contributions to the Plan are discontinued, or if there is a transfer, merger or consolidation of government units, services or functions as provided in Chapter 121, Fl. Stat., the Board shall continue to administer the Plan in accordance with the provisions of this Plan, for the sole benefit of the then Participant's, any beneficiaries then receiving retirement allowances, and any future persons entitled to receive future benefits. In the event of repeal, termination or permanent discontinuance of contributions due to transfer, merger or consolidation of government units, services or functions, there shall be full vesting (100%) of benefits accrued to date of repeal and the assets of the Plan shall be allocated in an equitable manner to provide benefits on a proportionate basis to the persons so entitled in accordance with the provisions thereof.

**(C)** The following shall be the order of priority for purposes of allocating the assets of the Plan as of the date of repeal of this Plan, or if contributions to the Plan are discontinued with the date of such discontinuation being determined by the Employer.

**(1)** Apportionment shall first be made in respect of each retired Participant receiving a retirement or disability benefit hereunder on such date, each person receiving a benefit on such date on account of a retired or disabled (but since deceased) Participant, and each Participant who has, by such date, become eligible for normal retirement but has not yet retired, an amount which is the actuarial equivalent of such benefit, based upon the actuarial assumptions in use

for purposes of the most recent actuarial valuation, provided that, if such asset value be less than the aggregate of such amounts, such amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such asset value.

(2) If there be any asset value remaining after the apportionment under paragraph 1, apportionment shall next be made in respect of each Participant in the service of the Employer on such date who has completed at least ten (10) Years of Credited Service and who is not entitled to an apportionment under paragraph 1, in the amount required to provide the Actuarial Equivalent, as described in paragraph 1 above, of the accrued Normal Retirement Benefit, based on the Credited Service and Salary as of such date, and each vested former Participant then entitled to a deferred benefit who has not, by such date, begun receiving benefit payments, in the amount required to provide said Actuarial Equivalent of the accrued Normal Retirement Benefit, provided that, if such remaining asset value is less than the aggregate of the amounts apportioned hereunder, such latter amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

(3) If there be any asset value after the apportionments under paragraph 1 and 2 above, apportionment shall be made in respect of each Participant in the service of the Employer on such date who is not entitled to an apportionment under paragraphs 1 and 2 above in the amount equal to Participant's Accumulated Contributions, provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder, such latter amount shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

(4) If there be any asset value remaining after the apportionments under paragraphs 1, 2, and 3 above, apportionment shall lastly be made in respect of each participant included in paragraph 3 above to the extent of the Actuarial

Equivalent, as described in paragraph 1 above, of the accrued Normal Retirement Benefit, less the amount apportioned in paragraph 3 above, based on the Credited Service and Average Final Compensation as of such date, provided that, if such remaining asset value be less than the aggregate of the amounts apportioned hereunder, such amounts shall be reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

(5) In the event that there be asset value remaining after the full apportionment specified in paragraphs 1, 2, 3, and 4 above, such excess shall be returned to the Employer, less return of the State's contributions to the State, provided that, if the excess is less than the total contributions made by the Employer and the State to the date of termination such excess shall be divided proportionately to the total contributions made by the Employer and the State.

The allocation of the Fund provided for in this subsection may, as decided by the Board and the Employer 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 and the Employer may direct. The Trust may be continued in existence for purposes of subsequent distributions.

(6) After all the vested and accrued benefits provided hereunder have been paid and after all other liabilities have been satisfied, then and only then, shall any remaining funds be reverted to the Employer.

## **ARTICLE 20**

### **EXEMPTION FROM EXECUTION, NON-ASSIGNABILITY**

The pensions, annuities, or any other benefits accrued or accruing to any person under the provisions of this Plan, the Accumulated Contributions and the assets in the Fund created under this Plan are exempt from any state, county or municipal tax of the state and shall not be subject to execution, attachment, garnishment or any legal process whatsoever and shall be unassignable.

## ARTICLE 21

### FORFEITURE OF PENSION: CONVICTION AND FORFEITURE

Any Participant who is convicted of the any of the following offenses committed prior to retirement, or whose employment is terminated by reason of his admitted commission, aid or abetment of the following specified offenses, shall forfeit all rights and benefits under this Plan, except for the return of his Accumulated Contributions as of the date of termination.

(A) Specified offenses include the following, as may be amended by the Florida Legislature :

- (1) the committing, aiding or abetting of an embezzlement of public funds;
- (2) the committing, aiding or abetting of any theft by a public officer or employee from the employer;
- (3) bribery in connection with the employment of a public officer or employee;
- (4) any felony specified in Chapter 838, Florida Statutes;
- (5) the committing of an impeachable offense;
- (6) the committing of any felony by a public officer or employee who willfully and with intent to defraud the public or the public agency, for which he acts or in which he is employed, of the right to receive the faithful performance of his duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or for some other person through the use or attempted use of the power, rights, privileges, duties or position of his public office or employment position, or;
- (7) any other forfeitable offense set forth in Section 112.3173, Florida Statutes

(B) Conviction shall be defined as follows: An adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.

(C) Court shall be defined as follows: any state or federal court of competent jurisdiction, which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the Board shall hold a hearing on which notice shall be given to the Participant whose benefits are being considered for forfeiture. Said Participant shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the Participant shall be afforded a full opportunity to present his case against forfeiture.

(D) Any Participant who has received benefits from the Plan in excess of his Accumulated Contributions after Participant's rights were forfeited pursuant to this section shall be required to pay back to the Fund the amount of the benefits received in excess of his Accumulated Contributions. The Board may implement all legal action necessary to recover such funds.

(E) As provided in the Florida Statutes, it is unlawful for a person to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the Plan. A person who commits a crime is punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

(F) In addition to any applicable criminal penalty upon conviction for a violation described in paragraph (E), a Participant or Beneficiary of the Plan may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which the person would be otherwise be entitled under the Plan. For purposes of this paragraph (F) "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

## **ARTICLE 22**

### **PENSION VALIDITY**

The Board shall have the power to examine and investigate 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. The Board is empowered to purge the pension rolls or correct the pension amount of any person heretofore granted a pension under prior or existing law or any person hereafter granted a pension under this Plan if the same is found to be erroneous, fraudulent or illegal for any reason, and to reclassify any person who has heretofore under any prior or existing law been or who shall hereafter under this Plan be erroneously, improperly or illegally classified. Any overpayments or under payments shall be corrected and paid or repaid in a reasonable manner determined by the Board.



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January 13, 2017

Trustees of the Retirement Plan for the Employees of the Town of Davie  
c/o Mr. Jeffrey E. Blomeley  
Manager of Investment and Retirement Services  
Florida League of Cities, Inc.  
P. O. Box 1757  
Tallahassee, FL 32302

Re: Retirement Plan for the Employees of the Town of Davie

Ladies and Gentlemen:

In response to your request, I have reviewed the recently proposed restated legal plan document. The purpose of the restatement is to incorporate recent amendments into the document and to make several modifications and clarifications to the current language of the plan in order to preserve compliance with the requirements of the Internal Revenue Code.

Because the restatement does not make any substantive changes to the plan, I have determined that the proposed restated legal plan document as submitted to me will have no actuarial impact on the plan.

If you have any questions, please do not hesitate to call me.

Sincerely,

Charles T. Carr  
Consulting Actuary



**TOWN OF DAVIE  
TOWN COUNCIL AGENDA REPORT**

Item Number: 27.

To: Mayor and Councilmembers

From: William W. Ackerman, CPA, Budget &amp; Finance Director

Prepared By: Adam Levinson, Pension Board Attorney - Budget Finance

Subject: Ordinance

Affected District: Town Wide

Item Request: Schedule for Council Meeting

**Title of Agenda Item:** **PENSION PLAN AMENDMENT - AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, PROVIDING FOR THE RESTATEMENT AND UPDATING OF THE TOWN'S RETIREMENT PLAN AND TRUST FOR THE MANAGEMENT AND GENERAL EMPLOYEES OF THE TOWN OF DAVIE; PROVIDING FOR PUBLICATION; PROVIDING AN EFFECTIVE DATE. {Approved on first reading on January 4, 2017. In a roll call vote: Mayor Paul - yes; Vice-Mayor Luis - yes; Councilmember Caletka - yes; Councilmember Hattan - yes; Councilmember Starkey - yes. (Motion carried 5-0)}**

**Executive Summary:** The Davie Management and General Employees Retirement Plan ("Plan") was initially created in 2003. This rewrite incorporates the original Plan document, the separate Adoption Agreement and all subsequent amendments from the following ordinances: 2004-2, 2006-21, 2007-1, 2008-22, 2008-36, 2009-11, 2012-5 and 2013-18.

The rewrite also includes recommendations by the Board of Trustees ("Board"), which are generally administrative rather than substantive in nature. The rewrite process is not intended to materially impact underlying benefits, funding or costs. An actuarial impact statement has been requested from the Plan's actuary and will be part of the second reading of this ordinance.

Below is an overview of some of the amendments to the Plan:

- Numerous Definitions in Article I have been revised or inserted. Additionally, several definitions were expanded and clarified. Some of those definitions include: Full Time Employee, Participant or Member and Salary/Compensation.
- The Salary / Compensation definition has been revised to clarify and specifically exclude the following: reimbursement from the Town, benefit choice dollars, overtime in excess of 300 hours, accumulated leave payout in excess of the applicable snapshot and off-duty details.
- Article III, Board of Trustees have been amended to increase the term of office from two to four years, which is consistent with Davie's two other pension Boards. The amended change also encourages the Board to avail themselves of educational opportunities consistent with Florida law.
- Article V, Employee Contributions will be amended to be consistent with Ordinance 2013-18. Employees in tier one contribute 2.5% to the Plan while employees in tier two contribute 3%.
- Article VI, Benefit Amounts and Eligibility will be amended to clarify separate normal retirement dates and separate benefit calculations for members that are promoted to a Management Employee position, as defined in 1.18.1.
- Article VII, Normal Retirement Date and Benefits will also be amended to be consistent with Ordinance 2013-18, which created the second tier. Additionally, the Board has proposed that DROP participants be permitted a full five years of DROP participation, provided that the member elects to participate in DROP within five years of normal retirement eligibility.
- For Article VIII, Disability Benefits, the Plan does not currently distinguish between service versus non-service disabilities, which the Board has made recommendations to correct. The Board has proposed the creation of a service-related disability benefit calculated based on the value of a member's accrued benefit, but not less than 20% of average final compensation. The IRS Code provides for special federal income tax treatment for duty-related disabilities in which the Board is recommending that it be included in this ordinance. Lastly, as a cost savings measure, the Board has recommended additional requirements for mental injuries, including proof by clear and convincing evidence that the injury was the result of sudden, unexpected and extraordinary stress directly related to employment.
- Article IX, Vesting will also be amended to be consistent with Ordinance 2013-18, which created a second tier in the Plan.

Please note that for the second reading that there were some minor changes that primarily related to clearing up some ambiguity between the first and second tiers. Also, the definition of Salary in Section 1.25 was also clarified to exclude reimbursements, including but not limited to tuition reimbursement, travel reimbursement and Benefit Choice Dollars. Lastly, we have included an actuary impact statement that confirms that the changes in this ordinance will not have a fiscal impact on the Town of Davie.

**Key Points:**

- This rewrite incorporates the original Plan document, the separate Adoption Agreement, all subsequent ordinances and recommendations made by the Board.
- This rewrite is intended to aggregate the current provisions into a single document.
- The changes to the Plan are generally administrative rather than substantive in nature.
- The rewrite process is not intended to materially impact underlying benefits, funding or costs.
- An actuarial impact statement from the Plan's actuary has been included to be part of the second reading of this ordinance.

Town Council previously approved Ordinance 2013-18 on September 3, 2013.

**Previous****Actions:**

**Concurrences:** The Town Administrator, Budget & Finance Director, Board of Trustees and Pension Attorney reviewed and concurred.

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**Fiscal Impact:**

Has request been budgeted? N/A

If yes expected cost:

Account name and number:

If no, amount needed:

Account name funds will be  
appropriated from

Additional Comments

The attached actuarial impact statement concludes that the changes made to the Plan will not have a negative fiscal impact to the Town of Davie (no current or future costs are anticipated for the Town of Davie related to this ordinance).

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**Recommendation:** Motion to approve

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**Strategic Goals This Item Supports:**

None

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**ATTACHMENTS:**

	File Name	Description
<input type="checkbox"/>	<a href="#">Ordinance restating plan (00080501).docx</a>	Ordinance
<input type="checkbox"/>	<a href="#">recodified plan 2016 - CLEAN COPY for Second Reading - PDF (00082197).pdf</a>	Recodified Plan 2016 Clean Version
<input type="checkbox"/>	<a href="#">recodified plan 2016 - TRACK CHANGES FOR SECOND READING - PDF (00082198).pdf</a>	Recodified Plan 2016 Track Changes
<input type="checkbox"/>	<a href="#">letter011317.pdf</a>	Impact Statement

ORDINANCE NO. O 2021-004

AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, AMENDING ARTICLE 1, DEFINITIONS, SECTION 1.18.1, MANAGEMENT EMPLOYEE AND 1.25, SALARY/COMPENSATION; PROVIDING FOR PUBLICATION; PROVIDING AN EFFECTIVE DATE; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT AND PROVIDING FOR A REPEALER.

WHEREAS, the Town Council finds that the Town's Retirement Plan and Trust for the Town of Davie Management and General Employees (hereinafter the "Plan") attracts qualified individuals to the Town and can encourage long-term and continued employment with the Town of Davie;

WHEREAS, from time to time the Town may create a management position not listed in the Plan document. There is no guidance whether an employee hired into such a position is part of the Plan;

WHEREAS, the Plan should be updated to include employer contributions to an employer sponsored 457 account as pensionable wages; and

WHEREAS, the Board of the Plan has recommended this ordinance to update of the Plan document.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, THAT:

SECTION 1. Article 1, Definitions, of the Town of Davie Managerial and General Employees' Pension Plan is hereby amended to read as follows:

**ARTICLE 1 DEFINITIONS**

**SECTION 1.18.1 MANAGEMENT EMPLOYEE.**

shall mean town administrator, assistant or deputy town administrator, town attorney, assistant town attorney, directors, the police chief and fire chief, town clerk, deputy or assistant town clerk, redevelopment administrator and deputy or assistant directors, provided the enumerated positions are W-2 employees and not independent contractors.

**SECTION 1.25SALARY/COMPENSATION.**

Salary means the total cash remuneration paid to an employee for services rendered and

any employer contributions made to an employee's 457 account, exclusive of Reimbursements, including but not limited to tuition reimbursement, travel reimbursement and Benefit Choice Dollars are excluded from the definition of salary/compensation. Effective 8/3/2016, off-duty details shall be excluded from total cash remuneration.

Total cash remuneration for Management and Non-represented members shall exclude the following: 1) overtime in excess of 300 hours and 2) accrued unused annual or sick leave ("accumulated leave") in excess of the hours accrued by the Management or Non-represented member as of June 30, 2011 (hereinafter the "effective date"). The number of hours of accumulated leave used to calculate pension benefits for Management and Non-represented members shall be the lesser of the number of hours of accumulated leave on the effective date and the number of hours of accumulated leave on the member's retirement date.

Total cash remuneration of Represented General Employee members shall exclude the following: 1) overtime in excess of 300 hours and 2) accrued unused annual or sick leave ("accumulated leave") in excess of the hours accrued by the Represented General Employee member as of September 30, 2012 (hereinafter the "effective date"). The number of hours of accumulated leave used to calculate pension benefits for Represented General Employee members shall be the lesser of the number of hours of accumulated leave on the effective date and the number of hours of accumulated leave on the member's retirement date.

Compensation in excess of the limitations set forth in Section 401 (a)(17) of the Code as of the first day of the calendar year shall be disregarded for any purpose, including employee contributions or any benefit calculations. The annual compensation of each member taken into account in determining benefits or employee contributions for any calendar year beginning on or after January 1, 2002, may not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401 (a)(17)(B) of the Code.

SECTION 2. This Ordinance shall remain in full force and effect until supplemented, amended, repealed or otherwise altered.

SECTION 3. This Ordinance shall be published as required by the Code of the Town of Davie.

SECTION 4. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portion of this ordinance.

SECTION 5. All ordinances or parts of ordinances, resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

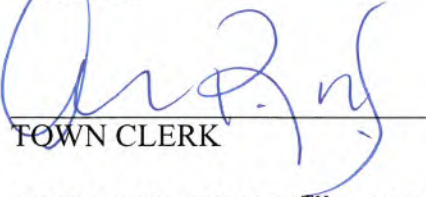
SECTION 6. This Ordinance shall take effect immediately upon adoption.

PASSED ON FIRST READING THIS 6<sup>TH</sup> DAY OF JANUARY, 2021.

PASSED ON SECOND READING THIS 20<sup>TH</sup> DAY OF JANUARY, 2021.


  
MAYOR/COUNCILMEMBER

ATTEST:

  
TOWN CLERK

APPROVED THIS 20<sup>TH</sup> DAY OF JANUARY, 2021.

Approved as to Form and Legality:

  
TOWN ATTORNEY





POST OFFICE BOX 888343  
ATLANTA, GEORGIA 30356-0343  
TELEPHONE 770.392.0980  
FACSIMILE 770.392.2193

December 14, 2020

Trustees of the Retirement Plan for the Employees of the Town of Davie  
c/o Ms. Laura Underhill  
Senior Financial Analyst  
Florida League of Cities, Inc.  
P. O. Box 1757  
Tallahassee, FL 32302

Re: Retirement Plan for the Employees of the Town of Davie

Ladies and Gentlemen:

In response to your request, we have reviewed the proposed ordinance sent to our office via electronic mail on December 2, 2020.

The proposed ordinance allows W-2 employees hired into management positions to participate in the plan automatically. It also clarifies the definition of salary by stating that any employer contributions to the employee's 457 account is included in cash remuneration. Because the ordinance does not change the benefits that are payable from the defined benefit pension plan, we have determined that the ordinance will have no actuarial impact on the plan.

If you have any questions or need additional information, please do not hesitate to call me.

Sincerely,

A handwritten signature in blue ink that reads "Charles T. Carr".

Charles T. Carr  
Consulting Actuary

**TOWN OF DAVIE  
TOWN COUNCIL AGENDA REPORT**

Item Number: 22.

**To:** Mayor and Councilmembers

**From:** William W. Ackerman, CPA, Budget & Finance Director/797-1050

**Prepared By:** William W. Ackerman, CPA, Budget & Finance Director/797-1050 - Budget Finance

**Subject:** Ordinance

**Affected District:** Town Wide

**Item Request:** Schedule for Council Meeting

**Title of Agenda Item:** **PENSION AMENDMENT - AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, AMENDING ARTICLE 1, DEFINITIONS, SECTION 1.18.1, MANAGEMENT EMPLOYEE AND 1.25, SALARY/COMPENSATION; PROVIDING FOR PUBLICATION; PROVIDING AN EFFECTIVE DATE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR A REPEALER. Approved on first reading on January 6, 2021. In a roll call vote: Vice Mayor Starkey - yes; Councilmember Hattan - yes; Councilmember Luis - yes; Councilmember Whitman - yes; Mayor Paul - yes. (Motion carried 5-0)**

**Executive Summary:** The attached ordinance amends two sections of the Town's Management and General Employees Pension Plan. The ordinance includes incorporating the Town Attorney and Assistant Town Attorney as a management employee. When the Town originally created this pension plan, the Town Attorney was not a Town of Davie employee (it was a contractual position) and the Assistant Town Attorney position did not exist. This ordinance also clarifies that management employees must be W-2 employees and not independent contractors.

The attached ordinance also updates the salary/compensation for employer contribution made to an employee's 457 account. Although the Town already recognizes that this is part of the total cash remuneration and also has been collecting the employee contributions for this, added language into the plan avoids any future confusion.

The attached actuarial impact statement confirms that there is no additional costs to the Town of Davie related to the proposed changes to the ordinance.

**Key Points:**

- Revises the definition of the management employee
- Revises the definition of salary/compensation
- The attached actuarial impact statement confirms that there is no additional Town of Davie costs related to the proposed changes to this pension plan.

**Previous Actions:** Town Council previously amended the plan on January 18, 2017 via ordinance number 2017-005.

**Concurrences:** The Town's Pension Attorney has reviewed the amendment and approved the amended language. Approved by the Management and General Employees Pension Board.

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**Fiscal Impact:**

Has request been budgeted? N/A

If yes expected cost:

Account name and number:

If no, amount needed:

Account name funds will be appropriated from

Additional Comments The attached Actuarial Impact Statement confirms that there is no financial impact to the Town of Davie for these proposed changes.

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**Recommendation:** Motion to approve

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**Strategic Goals This Item Supports:**

Commitment to Customer Satisfaction, Dedication to Excellence in Service Delivery

**ATTACHMENTS:**

File Name	Description
Management_and_General_Employee_Pension_Amendment.docx	Pension Ordinance





ORDINANCE NO. O 2021-015

AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE DEFINED BENEFIT PLAN; OF THE TOWN'S RETIREMENT PLAN AND TRUST FOR THE MANAGEMENT AND GENERAL EMPLOYEES OF THE TOWN OF DAVIE, ARTICLE 1, DEFINITIONS, AMENDING SECTION 1.10, CREDITED SERVICE AND SECTION 1.32, VESTED SERVICE; AMENDING ARTICLE 6, BENEFIT AMOUNTS AND ELIGIBILITY, ADDING A NEW SECTION 6.06, OPPORTUNITY TO ALLOW CURRENT DEFINED CONTRIBUTION PLAN GENERAL NON-REPRESENTED EMPLOYEES TO JOIN THE DEFINED BENEFIT PLAN; ADDING A NEW SECTION 6.07, OPPORTUNITY TO ALLOW CURRENT DEFINED CONTRIBUTION PLAN GENERAL REPRESENTED EMPLOYEES TO JOIN THE DEFINED BENEFIT PLAN; OF THE TOWN'S RETIREMENT PLAN AND TRUST FOR THE MANAGEMENT AND GENERAL EMPLOYEES OF THE TOWN OF DAVIE; PROVIDING FOR PUBLICATION; PROVIDING AN EFFECTIVE DATE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR A REPEALER.

WHEREAS, the Town Council finds that the Town's Retirement Plan and Trust for the Town of Davie Management and General Employees (hereinafter the "Plan") attracts qualified individuals to the Town and can encourage long-term and continued employment with the Town of Davie;

WHEREAS, the Plan should be updated to allow the twenty-one current employees who were employed prior to October 1, 2006 who remain in the Defined Contribution Plan the opportunity to join the Defined Benefit Plan; and

WHEREAS, the Board of Trustees of the Plan has recommended this ordinance to update of the Plan document.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. Article 1, Definitions, of the Town of Davie Managerial and General Employees Pension Plan is hereby amended to read as follows:

**ARTICLE 1**  
**DEFINITIONS**

\* \* \*

1.10 "Credited service":

\* \* \*

Management and Non-Represented General Employees: If a Management or Non-Represented General Employee is hired after October 1, 2003, Credited Service shall mean the total number of years and fractional parts of years of service measured from the date of employment and the total number and fractional parts of years of service purchased at actual actuarial costs. If such employee is a current employee as of October 1, 2003, credited service shall mean the total number and fractional parts of years of service, measured from October 1, 2003 during which the employee participated in this Plan.

Represented General Employees: If a Represented General Employee is hired after October 1, 2006, Credited Service shall mean the total number of years and fractional parts of years of service measured from the date of employment and the total number and fractional parts of years of service purchased at actual actuarial costs. If the Represented General Employee is a current employee as of October 1, 2006, credited service shall mean the total number and fractional parts of years of service, measured from October 1, 2006, during which the employee participated in this Plan.

\* \* \*

#### 1.32 "Vested Service":

For General Employees, the total number of years and fractional parts of years of service measured from the date of employment for general employees; for Management Employees, the total number of years and fractional parts of years of service measured from the date of employment, for Management Employees hired after October 1, 2003. All Management Employees employed on October 1, 2003 are deemed one hundred percent vested. All employees who transfer from the Town's Defined Contribution Plan pursuant to Section 6.06 and 6.07 are deemed one hundred percent vested in this Plan upon the effective date of transfer.

SECTION 2. Article 6, Benefit Amounts and Eligibility, of the Town of Davie Managerial and General Employees Pension Plan is hereby amended to read as follows:

### ARTICLE 6

#### BENEFIT AMOUNTS AND ELIGIBILITY

\* \*\*

#### **6.06. OPPORTUNITY TO ALLOW CURRENT DEFINED CONTRIBUTION PLAN MANAGEMENT AND GENERAL NON-REPRESENTED EMPLOYEES TO JOIN THE DEFINED BENEFIT PLAN**

Management and General Non-Represented Employees hired prior to October 1, 2003 who are members of the Defined Contribution Plan on [Effective Date] will be given a one-time opportunity to discontinue contributions to the Defined Contribution plan and join the Defined Benefit Plan. Eligible employees will have thirty days from the effective date to elect to join the Defined Benefit Plan. The decision is irrevocable. Upon joining the Defined Benefit Plan, such employees will be immediately vested and placed in the membership tier (1) that was established prior to October 1, 2013. There will be no buy-back option available to such employees, or credit for prior service accrued while a member of the Defined Contribution Plan. Employee contributions and credited services accrual will commence at the start of the next full pay period, following the conclusion of the thirty-day window. Employees electing to join



the Defined Benefit Plan pursuant to this Section 6.06 will be required to make regular contributions to the trust fund in accordance with Section 5.01 of the Plan Document. Once an employee has joined the Defined Benefit Plan pursuant to this section 6.06, the Town of Davie will cease to make contributions to the Defined Contribution Plan on behalf of such employee.

**6.07 OPPORTUNITY TO ALLOW CURRENT DEFINED CONTRIBUTION PLAN GENERAL REPRESENTED EMPLOYEES TO JOIN THE DEFINED BENEFIT PLAN**

General Represented Employees hired prior to October 1, 2006 who are members of the Defined Contribution Plan on [Effective Date] will be given a one-time opportunity to discontinue contributions to the Defined Contribution plan and join the Defined Benefit Plan. Eligible employees will have thirty days from the effective date to elect to join the Defined Benefit Plan. The decision is irrevocable. Upon joining the Defined Benefit Plan, such employees will be immediately vested and placed in the membership tier (1) that was established prior to October 1, 2013. There will be no buy-back option available to such employees, or credit for prior service accrued while a member of the Defined Contribution Plan. Employee contributions and credited services accrual will commence at the start of the next full pay period, following the conclusion of the thirty-day window. Employees electing to join the Defined Benefit Plan pursuant to this Section 6.07 will be required to make regular contributions to the trust fund in accordance with Section 5.01 of the Plan Document. Once an employee has joined the Defined Benefit Plan pursuant to this section 6.07, the Town of Davie will cease to make contributions to the Defined Contribution Plan on behalf of such employee.

SECTION 3. This Ordinance shall remain in full force and effect until supplemented, amended, repealed or otherwise altered.

SECTION 4. This Ordinance shall be published as required by the Code of the Town of Davie.

SECTION 5. If any clause, section, or other part or application of this Ordinance shall be held in any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and shall not affect the validity of the remaining portions or applications which shall remain in full force and effect.

SECTION 6. All ordinances or parts of ordinances, resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

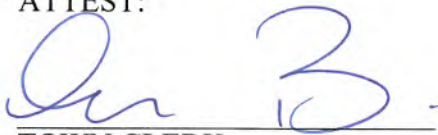
SECTION 7. This Ordinance shall take effect immediately upon adoption.

PASSED ON FIRST READING THIS 19<sup>TH</sup> DAY OF MAY, 2021.

PASSED ON SECOND READING THIS 9<sup>TH</sup> DAY OF JUNE, 2021.

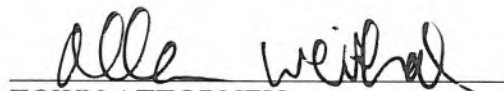
  
MAYOR/COUNCILMEMBER

ATTEST:

  
TOWN CLERK

APPROVED THIS 9<sup>TH</sup> MAY OF JUNE, 2021.

Approved as to Form and Legality:

  
TOWN ATTORNEY





Post Office Box 888343  
Atlanta, Georgia 30356-0343  
Telephone 770.392.0980  
Facsimile 770.392.2193

May 21, 2021

Trustees of the Retirement Plan for the Employees of the Town of Davie  
c/o Ms. Laura Underhill  
Senior Financial Analyst  
Florida League of Cities, Inc.  
P. O. Box 1757  
Tallahassee, FL 32302

Re: Retirement Plan for the Employees of the Town of Davie

Ladies and Gentlemen:

In response to your request, we have estimated the impact to subject plan of allowing certain employees who previously opted out of participation in the plan to begin participating in the plan. It is my understanding that the proposed ordinance will not grant any benefit credit for past employment with the Town, but will include service credit for past employment for vesting and eligibility purposes only. As we discussed, the final impact of the proposed amendment will depend on which eligible employees elect to participate.

If all 21 eligible employees elect to participate in the plan, the total projected benefit liability is estimated to increase by \$2,950,072 and the Town's contribution requirement is estimated to increase by 0.74% of payroll (or by \$415,436 for the 2021/22 fiscal year).

If only the 10 most expensive eligible employees elect to participate in the plan, the total projected benefit liability is estimated to increase by \$2,152,476 and the Town's contribution requirement is estimated to increase by 0.57% of payroll (or by \$249,661 for the 2021/22 fiscal year).

If only the most expensive eligible employee elects to participate in the plan, the total projected benefit liability is estimated to increase by \$556,392 and the Town's contribution requirement is estimated to increase by 0.30% of payroll (or by \$77,110 for the 2021/22 fiscal year).

Please note that my review is based on the eligible participant data provided by the Town, as well as the actuarial assumptions and methods used to complete the October 1, 2020 actuarial valuation of the plan. You should reference that report for a detailed outline of those assumptions and methods and for important disclosures concerning the risk that the actual cost of the proposed plan changes will be more or less than the amounts shown in this letter.

If you have any questions, please do not hesitate to call.

Sincerely,

*Charles T. Carr*

Charles T. Carr  
Consulting Actuary

*The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.*



**TOWN OF DAVIE  
TOWN COUNCIL AGENDA REPORT**

Item Number: 29.

**To:** Mayor and Councilmembers

**From:** William W. Ackerman, CPA, Budget & Finance Director/797-1050

**Prepared By:** William W. Ackerman, CPA, Budget & Finance Director/797-1050 - Budget Finance

**Subject:** Ordinance

**Affected District:** Town Wide

**Item Request:** Schedule for Council Meeting

**Title of Agenda Item:** **PENSION AMENDMENT - AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE DEFINED BENEFIT PLAN; OF THE TOWN'S RETIREMENT PLAN AND TRUST FOR THE MANAGEMENT AND GENERAL EMPLOYEES OF THE TOWN OF DAVIE, ARTICLE 1, DEFINITIONS, AMENDING SECTION 1.10, CREDITED SERVICE AND SECTION 1.32, VESTED SERVICE; AMENDING ARTICLE 6, BENEFIT AMOUNTS AND ELIGIBILITY, ADDING A NEW SECTION 6.06, OPPORTUNITY TO ALLOW CURRENT DEFINED CONTRIBUTION PLAN MANAGEMENT AND GENERAL NON-REPRESENTED EMPLOYEES TO JOIN THE DEFINED BENEFIT PLAN; ADDING A NEW SECTION 6.07, OPPORTUNITY TO ALLOW CURRENT DEFINED CONTRIBUTION PLAN GENERAL REPRESENTED EMPLOYEES TO JOIN THE DEFINED BENEFIT PLAN; OF THE TOWN'S RETIREMENT PLAN AND TRUST FOR THE MANAGEMENT AND GENERAL EMPLOYEES OF THE TOWN OF DAVIE; PROVIDING FOR PUBLICATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE; AND PROVIDING FOR A REPEALER. (Approved on first reading on May 19, 2021. In a roll call vote: Mayor Paul - yes; Councilmember Starkey - yes; Councilmember Luis - yes; Vice Mayor Hattan - yes; Councilmember Whitman - yes. (Motion carried 5-0)**

**Executive Summary:** The attached ordinance amends the Town of Davie Management and General Employees Pension Plan (Defined Benefit Plan). This ordinance will give 21 current employees, who were employed prior to October 1, 2006, a one-time opportunity to join the Town's Defined Benefit plan. This amendment revises the definition of credited service, vested service and adds two sections to allow for this one-time opportunity for these 21 employees to join the plan.

This ordinance also prohibits these 21 employees from buying back credited service but they will be 100% vested if they elect to join. If the employee elects to transfer to the Defined Benefit Plan, the Town's contribution to the Defined contribution plan will cease and the employee will start to make the required employee contribution to the pension plan. The purpose of this one-time opportunity to join the Defined Benefit Plan is to incentivize the retention of longstanding employees who at that time did not foresee their longevity and have encountered unforeseen life changes such as the health pandemic.

An actuarial impact statement is attached and the cost to the Town can range from \$0 to \$415k, depending on the number of employees that elect to join. There will be some offsetting savings to the Town's contribution to the Defined Contribution Plan. The exact cost is unknown because the 21 eligible employees cannot make the election to move into the Defined Benefit Plan until after this Ordinance is approved.

**Key Points:**

- Allows a one-time opportunity for 21 employees to join the Defined Benefit Plan from the Defined Contribution Plan.
- These 21 employees cannot buyback credited service but will be 100% vested
- For the employees that elect to join the Defined Benefit Plan, the Town will cease to contribute the Defined Contribution Plan and the employee will start to make the required contribution to the pension plan
- Revises 1.10 Credited Service and 1.32 Vested Service
- Adds two sections to allow for this one-time opportunity to join the plan
- An actuarial impact statement is attached that shows the cost associated with this Ordinance. As noted in the Executive Summary above, there are some savings that would offset the cost of approving this Ordinance.

**Previous Actions:** Town Council previously amended the plan on January 20, 2021 via ordinance number 2021-004.

**Concurrences:** The Town's Pension Attorney has reviewed and approved the amendment. Approved by the Management and General Employees Pension Board.

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**Fiscal Impact:**

Has request been budgeted? N/A

If yes expected cost: See comments below.

Account name and number:

If no, amount needed:

Account name funds will be appropriated from

**Additional Comments** An actuarial impact statement is attached and the cost to the Town can range from \$0 to \$415k, depending on the number of employees that elect to join. There will be some offsetting savings to the Town's contribution to the Defined Contribution Plan. The defined benefit pension expense accounts will be monitored and budget transfers will be

Contribution Plan. The defined benefit pension expense accounts will be monitored and budget transfers will be submitted for approval, if necessary. The exact cost is unknown because the 21 eligible employees cannot make the election to move into the Defined Benefit Plan until after this Ordinance is approved.

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**Recommendation:** Motion to approve

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**Strategic Goals This Item Supports:**  
Commitment to Customer Satisfaction, Dedication to Excellence in Service Delivery

**ATTACHMENTS:**

	File Name	Description
□	#29_-_O_2021-015_-_Pension_Amendment.docx	Ordinance
□	letter052121.pdf	Impact Statement



**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
July 19, 2006 at 4:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 4:10 p.m.

Present at the meeting were Chair William Underwood, Vice Chair Grace Hall, Secretary Russell Muniz, John Phillips (arrived at 4:20pm), and Don DiPetrillo. Also present was Adam Levinson, Esquire, and Mark Alan, Human Resource Director.

**2. APPROVAL OF MINUTES**

- 2.1 January 23, 2006
- 2.2 February 13, 2006
- 2.3 April 19, 2006

**Motion** made by Mr. DiPetrillo, seconded by Ms. Hall, to approve the minutes of the January 23, 2006 meeting. In a voice vote, the motion passed unanimously.

**Motion** made by Mr. Muniz, seconded by Ms. Hall, to approve the minutes of the February 13, 2006 meeting, with the addition of noting on page 2 that for workshops with Klausner & Kaufman regarding plan benefits, etc., there would be a cost; however, the seminar conference conducted by Klausner & Kaufman for their clients is at no cost. In a voice vote, the motion passed unanimously.

Mr. Levinson noted, with regard to the April 19<sup>th</sup> minutes, on page 3, the discussion pertaining to the Benefit Restoration Plan and IRS rules, that the maximum benefit amount for a defined benefit plan in order to keep tax qualified status is \$175,000.00 for 2006.

**Motion** made by Mr. DiPetrillo, seconded by Mr. Muniz, to approve the minutes of the April 19, 2006 meeting. In a voice vote, the motion passed unanimously.

**3. OLD BUSINESS**

- 3.1 Status on the Multiplier Increase (1/2% and 1/%)

Mr. DiPetrillo asked if the plan is being adjusted whether it would be necessary to renegotiate the adjustment, or can the Board summarily make this recommendation to Council. Mr. Levinson indicated that the union could renegotiate, although they could waive bargaining and it may be in their interest to waive bargaining if it looks like they may not have to give up anything for this benefit. The union would have the right to object to the Town making decisions outside of the negotiation process.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES

July 19, 2006

Page 2

Ms. Hall asked alternatively if they could add a tier to the plan instead of increasing the multiplier for the entire plan. She suggested setting up a workshop so this issue could be readdressed and followed up with Council. Mr. Underwood advised that he could send a request to the Town Administrator asking for a workshop. It was pointed out by Ms. Hall that at a previous workshop the Council had asked the Board for a recommendation in this regard, and it was her understanding that the study had been conducted based on Council's request. Mr. Underwood indicated that the membership would have to go to Council to make actual improvements to the plan. Mr. Levinson suggested that the Board submit their information to Council and that the membership be present during the proposed workshop.

**Motion** made by Ms. Hall, seconded by Mr. DiPetrillo, that Chair Underwood request a workshop with the Town Council to discuss the pension plan. In a voice vote, the motion passed unanimously.

Mr. Alan noted that a collective bargaining agreement has been ratified between the Town and the FOP representing the civilian employees. In that agreement is a provision for a defined benefit pension plan. There is some language reflecting a similarity of benefits, and Mr. Alan remarked that any action taken on one plan may impact the other. It was clarified that any increases would be cumulative and added on to the prior increases.

3.2 Liability Insurance

**Motion** made by Mr. Muniz, seconded by Mr. DiPetrillo, to table this item. In a voice vote, the motion passed unanimously.

3.3 Disability – Carol Knutsen

Mr. Levinson advised that the Town has not previously had a disability plan, and he provided a disability application package to the Board. He reviewed the package explaining the release of medical information, Florida law regarding medical confidentiality, the reasonable accommodation form, statement of disability by employer, the employee application, and physician statement.

Mr. Underwood advised that they are not ready to move forward on this matter; however, it was kept on the agenda for future discussion. He requested this matter be tabled at this time.

**Motion** made by Mr. Muniz, seconded by Ms. Hall, to table this item. In a voice vote, the motion passed unanimously.

3.4 Two Tiers Inequality

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES

July 19, 2006

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Mr. Underwood provided an email from Mr. Hyman with attachments and Mr. Klausner's response regarding the Town's position as far as administering, but not being an advocate for changing the plan. He encouraged the Board Members to attend the Pension Trustee School where this subject is addressed in details.

**4. NEW BUSINESS**

4.1 Ratification of Invoices from Klausner & Kaufman

**Motion** made by Mr. DiPetrillo, seconded by Mr. Phillips, to approve ratification. In a voice vote, the motion passed unanimously.

4.2 Motion to Accept Resignation of Pension Board Secretary - no action taken.

4.3 Motion to Elect a Secretary to the Pension Board

**Nomination** made by Mr. DiPetrillo to elect Mr. Phillips as Pension Board Secretary. In a voice vote, the nomination passed unanimously.

Mr. Levinson briefly reviewed the requirements of the Form 1 Disclosure.

4.4 Ratification of Death Benefit for Ralph Pennington/Mickie Mackenzie

Mr. Underwood recommended ratification of this item.

**Motion** made by Ms. Hall, seconded by Mr. Muniz, to ratify the death benefits for Ralph Pennington/Mickie Mackenzie. In a voice vote, the motion passed unanimously.

Mr. Levinson explained to the Board multiplier calculations used by the actuary in determining death benefits.

4.5 Ratification of Disability Form

**Motion** made by Mr. DiPetrillo, seconded by Ms. Hall, to ratify the disability form. In a voice vote, the motion passed unanimously.

4.6 Ratification of Disability Doctor

Mr. Underwood indicated he did not have the names of the specific physicians they were to consider. There was further discussion regarding location convenience of the physician for

## MANAGEMENT AND GENERAL EMPLOYEES PENSION

### BOARD OF TRUSTEES MINUTES

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employees, if the physician accepts the Town's insurance (the Town will be funding this expense), and the physician's rates.

**Motion** made by Ms. Hall, seconded by Mr. Phillips, to ratify **Dr. Strain or Dr. Weiss as Carol Knutsen's disability doctor, and tabled to the next meeting will be the issue of a backup provider**. In a voice vote, the motion passed unanimously.

#### 4.7 Plan Modification/FOP Collective Bargaining Agreement

This item was added to the agenda for notification to the Board of the plan/agreement which will be going to the Town Council for determination. No action needs to be taken.

#### 4.8 Authorization to Request Impact Statement for FOP

Mr. Underwood requested authorization, advising that prior to moving forward with a pension amendment, an impact statement must go to the State.

**Motion** made by Ms. Hall, seconded by Mr. DiPetrillo, to request the impact statement for FOPE. In a voice vote, the motion passed unanimously.

#### 4.9 Resolution – Authorization to Pay Non-discretionary Benefits

Mr. Underwood indicated that Mr. Klausner established a resolution for the Board allowing the plan administrator to pay non-discretionary, routine benefits from the fund, i.e., retirement, uncontested survivor, or early return of contributions.

Mr. Levinson pointed out that since the Board does not meet monthly, this will avoid delay in payment of benefits. Mr. Underwood and Ms. Hall expressed a preference to have all benefit payments come before the Board for approval.

**Motion** made by Ms. Hall, seconded by Mr. DiPetrillo, **to approve the Resolution as to uncontested or undisputed employee contributions**. In a voice vote, the motion passed unanimously.

#### 4.10 Upcoming Election of Board Trustee

Mr. Underwood stated that Board terms were coming up and a preference by several Board Members was for this matter to be deferred until the new Board is seated.

A memo drafted by Ms. McDaniel, Assistant City Clerk, was provided to the Board.

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Mr. Levinson stated the Trustees have discretion on when to hold the election. Mr. Levinson also noted that if there is no election, a Trustee continues in office until replaced.

Ms. McDaniel indicated that she had wanted to bring this matter to the attention of the Board due to possible upcoming changes in membership in October.

**Motion made by Mr. DiPetrillo, seconded by Ms. Hall, to move Ms. McDaniel's memorandum as a nomination and election period, moving forward with that time line. In a voice vote, the motion passed 4-1.**

4.11 Plan Amendment Removing the Deputy/Assistant Police & Fire Chief Positions

This item was brought to the Board for information purposes only; no action needs to be taken.

Discussion included accountability for the amendment and the possibility of a lawsuit, with Mr. Levinson explaining that he expects the ordinance to move forward.

Ms. Hall asked how a benefit can be offered, even if incorrectly, and then revoked. She stated many employees have been given benefits with no restoration for anyone else, yet this one seems to be given more importance.

Mr. Underwood indicated his understanding that the demise of those positions under the fire pension plan was voluntary. It was pointed out that possible mistakes may have been previously made which they are now trying to resolve and this is the first of many steps to fix the resulting problems.

4.12 Next Meeting Dates

- a) October 18, 2006
- b) January 17, 2007
- c) April 18, 2007
- d) July 18, 2007

Mr. Underwood agreed to call a meeting *ad hoc* with regard to the Knutsen disability matter, per Ms. Hall's request, if necessary.

**Motion** made by Mr. Muniz, seconded by Mr. DiPetrillo, to schedule Board meetings on the 2<sup>nd</sup> or 4<sup>th</sup> Thursdays quarterly. In a voice vote, the motion passed unanimously.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
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October 26, 2006; January 25, 2007; April 26, 2007; and July 26, 2007 at 5:30 p.m. will be the upcoming meeting schedule.

5. COMMENTS AND/OR SUGGESTIONS

6. PUBLIC COMMENTS

An employee thanked the Board for scheduling the workshop with Town Council regarding the pension plan. She further recommended to the Board if an agenda is created that one of the agenda items should be to create a third or middle tier for mid-level management.

Sandy Lukowski expressed her concern regarding being placed into a new pension plan and losing her retirement.

Mr. Underwood assured the speaker that he believed she would not lose her retirement. There will not be any loss of time for any party not previously represented; additionally, there will not be any differences between the two plans, with both being equivalent. It is also common to have a coordination of benefits provision which will bridge the two plans.

Mr. Levinson asked that there be an item on the agenda for Board counsel to discuss various items that may need to be brought to the attention of the Board. Mr. Underwood will add this to the agenda in the future.

Mr. Levinson suggested that the Trustees attend FPPTA and State conferences for similar boards.

7. ADJOURNMENT

With there being no further business to discuss, the meeting was adjourned at 5:37 p.m.

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**Date approved**

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**Chair/Committee Member**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
October 26, 2006 at 5:30 P.M.**

**1. ROLL CALL**

The meeting was called to order at 5:36 p.m.

Present at the meeting were Chair William Underwood, Vice Chair Grace Hall, Secretary John Phillips, Russell Muniz and Don DiPetrillo. Also present was Stuart Kaufman, Esquire, and Paul Shamoun, FMPTF.

**2. APPROVAL OF MINUTES**

Minutes for the prior meeting were unavailable and tabled at this time.

**3. OLD BUSINESS**

**3.1 Liability Insurance (Tabled from July 19<sup>th</sup>)**

Mr. Shamoun presented quotes for Fiduciary Insurance to the Board. He explained that the policy quote included a waiver of recourse for the individual members of the plan.

**Motion** made by Mr. Muniz, seconded by Ms. Hall that the Board approve the payment and bind coverage with Ulico for an annual fee of \$3,200.00 subject to confirmation that the waiver of recourse covers the Board members individually. In a voice vote, the motion passed unanimously.

**3.2 Benefit Restoration Plan –**

Chairman Underwood informed the members that the Town attorney has signed off on the Benefit restoration plan and there is no action needed on the part of the Board.

**3.3 Knutsen Disability Tabled until January 25<sup>th</sup> meeting**

The Board was informed by Mr. Shamoun that Ms. Knutsen has been sent the Disability application twice in the past 6 months and has not responded. Mr. Kaufman asked that the Board give authorization to the Board attorney to conduct the independent medical exam (IME).

**Motion** made by Ms. Hall, seconded by Mr. Phillips, that the Board authorizes the plan attorney to conduct the IME when Ms. Knutsen turned in her application. In a voice vote, the motion passed unanimously.

A discussion ensued over the priority of doctors on the list. The Board discussed how to prioritize the use of the doctors on the list and discussed using a rotation system, and closest to home. The Board decided to leave it up to the discretion of the plan attorney to decide which medical provider would best accommodate Ms. Knutsen.

### **3.4 Plan modifications – FOP Collective Bargaining Agreement**

The Chairman was seeking to receive a recommendation from the board to send this to the Town Council for adoption. Mr. Shamoun requested that the Board approve the past service calculations for all new members of the plan. Mr. Shamoun explained that there would be a special past service purchase window opened that would allow the new members 90 days to purchase the service from the calculation date.

Chris Henshaw spoke on behalf of Shawn Seabrook to the Board. Mr. Seabrook is an employee who was in the Defined Benefit plan and then was promoted to a position that was not covered in the plan. At that time he was transferred to the 401(a) plan and is now being given the opportunity to rejoin the plan. Chairman Underwood informed Mr. Henshaw that Mr. Seabrook's service would be linked and that he would be given the opportunity to purchase the time between the two periods.

**Motion** made by Mr. DiPetrillo, seconded by Ms. Hall, authorize the plan attorney to provide an administrative rule about bridging time and a defined period of time to make the payment for past service purchase of 90 days. In a voice vote, the motion passed unanimously.

The Board then asked the attorney to add language to the plan amendment under section E3 prior to sending it to the Town Council regarding the 90 day window.

**Motion** made by Ms. Hall, seconded by Mr. Muniz, that under section A6 of the adoption agreement be amended to reflect Klausner & Kaufman as Legal Counsel to the Board. In a voice vote, the motion passed unanimously.

The Board discussed the make-up of the Board members themselves and Ms. Hall asked Mr. Kaufman about the possibility of adding an additional member to the Board elected by the FOP members. Mr. Kaufman said that the Town Council would need to make this change. Ms. Hall discussed that this would be an item for discussion with the Town Council during the workshop that the Board will take up in the next agenda item.

**Motion** made by Mr. Muniz, seconded by Ms. Hall, to approve the plan modifications subject to the changes noted during the discussion. In a voice vote, the motion passed unanimously.

Mr. Kaufman mentioned that he has another plan that has a similar administrative rule in place to purchase past service and that it would be easy to use this as a working document. He said that he would have this administrative rule in place complete with forms and the next meeting.

### **3.5 Joint workshop with Town Council**

Ms. Hall discussed that she had hoped that this would have taken place prior to this point and the Chairman said that he would move this along as quickly as possible. The Board asked the administrator to prepare a letter to the Mayor requesting this workshop. This would be an open forum so that both the members of the Board and the plan would have to address retirement issues with the Council.



**Motion** made by Ms. Hall, seconded by Mr. Muniz, to instruct the plan administrator to draft a letter requesting a workshop between the pension members and the town council in as timely a fashion as the Council is able to schedule it. This letter should be addressed to the Mayor. In a voice vote, the motion passed unanimously.

#### **4. New Business**

##### **4.1 – Election of the Chairman**

**Motion** made by Ms. Hall, seconded by Mr. Muniz, to nominate William Underwood to serve as Chairman for another term. In a voice vote, the motion passed unanimously.

##### **4.2 – Election of the Vice-Chairman**

**Motion** made by Mr. Phillips seconded by Mr. DiPetrillo, to nominate Grace Hall to serve as Vice- Chairman. In a voice vote, the motion passed unanimously.

##### **4.3 – Election of the Secretary**

**Motion** made by Ms. Hall, seconded by Mr. Muniz, to nominate John Phillips to serve as Secretary for another term. In a voice vote, the motion passed unanimously.

##### **4.4 – Ratification of Bruce Bernard retirement**

Chair Underwood informed the members that this was an informational item and that this had already been approved by the Chairman. Chair Underwood was asking that the Board to ratify this retirement.

**Motion** made by Mr. Muniz, seconded by Mr. DiPetrillo to ratify Bruce Bernard's retirement. In a voice vote, the motion was passed unanimously.

##### **4.5 – Ratification of Klausner & Kaufman Invoices**

**Motion** made by Mr. DiPetrillo, seconded by Mr. Muniz, to ratify payments. In a voice vote, the motion passed unanimously.

##### **4.6 – Ratification of FMPTF Invoices**

**Motion** made by Ms. Hall, seconded by Mr. Muniz, to ratify payments. In a voice vote, the motion passed unanimously.

##### **4.7 – Valuation Authorization**

**Motion** made by Ms. Hall, seconded by Mr. DiPetrillo, to request an actuarial valuation and authorize the chairman to pay the cost. In a voice vote, the motion passed unanimously.

The Board discussed the need to perform a valuation every year. The Board decided that performing a valuation every year would be a prudent idea. The Board also asked that the Actuary attend the next meeting after the report is completed.

Chairman Underwood encouraged the other Board members to attend any FPPTA or other seminars.

#### **4.8 – Administrative Services -**

The Board indicated at their last meeting the need to engage someone to take the minutes and coordinate the agenda packet for the quarterly meetings. The FMPTF does not offer this as part of its normal administrative services. The FMPTF has agreed to perform these additional tasks for \$500.00 per meeting. Mr. Muniz wished to further clarify the scope of what the FMPTF would be doing for the Board for this additional fee. Mr. Shamoun stated that the FMPTF would take the minutes, coordinate the agenda and send it to the Board members. Mr. Kaufman stated that he would provide the Board a contract between the Board and the FMPTF to perform these services.

**Motion** made by Ms. Hall, seconded by Mr. Phillips, to approve the FMPTF to perform these services for this meeting and for the plan attorney to draw up a contract. In a voice vote, the motion passed 4-1 with Mr. Muniz dissenting.

#### **5. LEGAL COMMENTS**

Mr. Kaufman talked about the 2006 Pension Protection Act about healthcare premiums being non-taxable if taken from the retirement benefit payment. Mr. Kaufman also invited all the Trustees to their 2007 client conference March 11-14 at the Pier 66 in Ft. Lauderdale.

Mr. Phillips also asked about moving the meeting time from 5:30 to 4:00. The Board decided that more members would be able to attend if the meetings were held at 5:00 p.m.

**Motion** made by Mr. Phillips, seconded by Mr. Muniz, to move the time of all future meetings to 5:00 p.m.. In a voice vote, the motion passed unanimously.

Mr. Muniz wanted to encourage all Board members to attend the various training opportunities that are available to board members through the FPPTA and other sources. Mr. Shamoun stated that the FMPTF handles the contractual relationships between the various professionals needed to run the trust. He stated that if they were managing this on their own, the Board would need to enter into agreements with investment managers, performance monitors, actuaries and custodial banks. Mr. Shamoun stated that these relationships are handled by the FMPTF Board of Trustees on their behalf and all professionals hired by the fund to perform services for our members are reviewed on a quarterly basis by staff, the FLC Investment Advisory Committee and the Board of Trustees.

Mr. Shamoun informed the Board that the fund would be adding a value portfolio and that half the assets in the current Large Cap Growth Portfolio would be transferred on November 1, 2006. Mr. Muniz asked that the Board be given an updated performance monitoring report at the next meeting. Mr. Shamoun explained that the reports are available on the FMPTF website about 5 weeks after quarter end.

Mr. Muniz asked if all the services provided are included within the fee charged. Chair Underwood then asked "What value is the Board receiving in being in the FMPTF as opposed to going alone?" Mr. Shamoun responded that the plan is sharing the expenses of performance

monitoring with the other 50 members of the trust and the costs are included in the administrative fee. Additionally, he explained that the investment expenses being charged by the investment managers is substantially lower than they would receive on their own due to the economies of scale provided to the plan by membership in the FMPTF.

**6. PUBLIC COMMENTS**

Chair Underwood opened the floor for comments by members of the public. Mr. Timothy DeCarion, FOP representative spoke about adding a position to the Board of Trustees with an FOP member. Mr. Kaufman responded to the question by stating that it is not the Board's responsibility to make such recommendation and that this was a collective bargaining issues that should be taken up with the Town. It was also discovered the Mr. Phillips is a member of the FOP. It was recommended that this be brought up at the future Town Council workshop.

The next meeting will be on January 25<sup>th</sup>, 2007 at 5:00 in the council chambers.

**7. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 7:15 p.m.

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**Date approved**

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**Chair/Committee Member**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
January 25, 2007 at 5:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 5:07 p.m.

Present at the meeting were Chair William Underwood, Vice Chair Grace Hall, Secretary Russell Muniz, John Phillips and Don DiPetrillo (entered at 5:10). Also present was Robert Klausner, Esquire (entered at 5:15), and Paul Shamoun, FMPTF.

**2. APPROVAL OF MINUTES**

2.1) Minutes for the July 19, 2006 meeting

**Motion** made by Mr. Muniz, seconded by Mr. Phillips that the Board approve the minutes as presented. In a voice vote, the motion passed unanimously.

2.2) Minutes for the October 26, 2006 meeting

Mr. Muniz pointed out that the attendance portion was identical to the July 19<sup>th</sup> minutes. Additionally, he noted that issued under section 3.3 should have been ensued. Mr. Phillips noted for the record that at the October 26 meeting that there was mention that he was a member of the FOP. He explained that while he was represented by the FOP, he was not currently a dues paying member. He added that he expected to become a dues paying member of the FOP in the next few weeks.

**Motion** made by Mr. Muniz, seconded by Mr. DiPetrillo that the Board approve the minutes as revised. In a voice vote, the motion passed unanimously.

**3. OLD BUSINESS**

**3.1 Disability Request – Carol Knutsen**

Mr. Shamoun informed the Board that this item was placed on the agenda as an informational update on the possible disability claim of Ms. Knutsen. Mr. Shamoun informed the Board that neither his office nor the Board attorney had been contacted by Ms. Knutsen and that several attempts had been made to contact her.

Mr. Shamoun presented quotes for Fiduciary Insurance to the Board. He explained that the policy quote included a waiver of recourse for the individual members of the plan.

### **3.2 Joint Workshop with Town Council –**

Chairman Underwood informed the members that a letter had been sent to the Mayor requesting the workshop. He informed members that the Council wanted to wait until April and asked that the meeting not be the first week of April and not on a Wednesday. Mr. Underwood asked for recommendations on a date. Mr. Muniz suggested that the Town Council pick the date as it is more difficult for them to agree upon a date and to ask that they provide one or two dates if possible.

Ms. Hall said that one of the items to be on the agenda should be, “What to do with the funds that were set aside and the recommended benefits”, the second thing she wanted to discuss was the possibility of a tiered system. Mr. Underwood suggested that the membership contact the Board Secretary, Mr. Phillips by e-mail and for him to compile a list of the questions. Mr. Phillips said that he had already been contacted by several members. Ms. Hall asked the attorney if she could submit a question to Mr. Phillips as a member of the plan. Mr. Klausner responded that she could. Mr. Phillips then said that he would gather the questions from the members and send them to the administrator prior to the next meeting.

Mr. Klausner suggested to the Board that they may want to see the questions prior to the workshop and would want to be informed so they could respond to the Town Council members if needed. He also suggested that the Board may want to call a special meeting to go over the questions prior to submission to the Town Council. Mr. Phillips agreed that the Board wants to be as clear and concise as possible. Mr. Underwood then asked for a motion to call a special meeting for this purpose.

**Motion** made by Mr. Phillips, seconded by Mr. DiPetrillo that the Board call a special meeting to review the workshop topics prior to the Council workshop. In a voice vote, the motion passed unanimously.

### **3.3 Administrative Services Agreement**

Mr. Klausner informed the Board that based on their request at the last meeting that he had drafted an agreement for administrative services between the Board and the FMPTF to provide additional service to include minutes and agenda preparation and to attend all meetings of the Board of trustees for a fee of \$500.00 per meeting. Mr. Muniz wanted to include language that the administrator would be responsible for the posting of the agenda. Mr. Klausner suggested that the Board prepare a letter to the administrator for clarification. Mr. Muniz agreed. Mr. Muniz asked if the administrator would be at the special meeting of the Board. Mr. Klausner said that this would be covered under either section 4h or 4g. Mr. Klausner said that section h was a catchall that would provide that the administrator attend any meetings the Board required at the same \$500.00 per meeting fee.

Mr. Muniz asked about if there were to be some legal action between the Board and the administrator over this agreement, where would the legal action take place. Mr. Klausner informed the Board that in the State of Florida, any public agency which is engaged in suit, sues and is sued only in its county of residence.

Mr. Muniz asked the attorney about section 9, Agent of service of process. He asked what this meant. Mr. Klausner stated that the law provided that if the Board was sued, the law provides that the Chairperson, or in the absence of a chairperson, any member of the Board of Trustees is the agent for service of process, unless the board has designated someone else. The only way to have the service go to the administrator is to state it. Mr. Muniz asked if the attorney saw any possible problem with this. Mr. Klausner stated that this is a normal practice and said that this is similar to the Mayor designating the Town Manager or Town Attorney's Offices as the agent for service of process for the Town.

**Motion** made by Mr. Muniz, seconded by Ms. Hall that the Board approve the administrative service agreement. In a voice vote, the motion passed unanimously.

**Motion** made by Mr. Muniz, seconded by Mr. DiPetrillo that the Board designates the administrator as the agent for service of process. In a voice vote, the motion passed unanimously.

### **3.4 Past Service Purchase Administrative Rule**

Mr. Klausner stated that at the last meeting the Board had requested a rule to implement the past service purchase provisions in the plan. Mr. Muniz asked about the possibility of allowing the members to purchase past service by making monthly payments. Mr. Klausner and Mr. Shamoun both stated that allowing this could become an administrative nightmare unless members had the payments directly taken from their paychecks and remitted to the fund. Mr. Underwood suggested that if this is something that the Board wanted to do, that they would put a time limit as to how long a member had to pay for the past service. A discussion about the length of time took place and Mr. Muniz offered a suggestion of limiting it to 5 years. Mr. DiPetrillo suggested that you need to pay it off based on the amount purchased not to exceed 5 years. Members then discussed that paying it over a number of years would be cost prohibitive due to the interest on the payments. Mr. Underwood expressed his objection to allowing payments and said that he preferred to keep it the same as it is currently stated.

**Motion** made by Mr. DiPetrillo, seconded by Ms. Hall that the Board adopt the past service purchase rule as presented. In a voice vote, the motion passed unanimously.

## **4. New Business**

### **4.1 – Ratification of Invoices**

**Motion** made by Mr. Muniz, seconded by Ms. Hall, to ratify the approval of payments by the Chairman since the last meeting. In a voice vote, the motion passed unanimously.

#### **4.2 – FMPTF Performance returns as of 09/30/06**

Mr. Shamoun presented the performance returns for the quarter ending September 30, 2006. Mr. Shamoun also informed the Board that the fund had hired a Large Cap Value Manager and that half the current Large Cap Growth Assets would be transferred to balance out the portfolio. Mr. Underwood asked that at some time in the future, that the performance monitor present the quarter performance to the Board. Mr. Shamoun said that the Board could request that if they wanted as well as information on the current asset allocation.

**Motion** made by Mr. Muniz, seconded by Ms. Hall, to ask that the performance monitor send the Board something indicating that having an 8% assumption and being in a 60/40 allocation is prudent and a recommendation to stay in the 60/40 or move to the 70/30 allocation. In a voice vote, the motion passed unanimously.

Mr. Muniz asked about the fees outline on the quarter end statement and asked about the quarterly fee vs. the \$1000.00 annual administrative fee. Mr. Shamoun explained that the administrative fees are broken into two parts, \$1000.00 per year plus 15 basis points based on the quarter ending balance of the plan.

### **5. LEGAL COMMENTS**

Mr. Klausner invited all the Trustees to their 2007 client conference March 11-14 at the Pier 66 in Ft. Lauderdale.

### **6. ADMINISTRATOR COMMENTS**

The administrator informed the Board that he had no additional comments.

### **7. PUBLIC COMMENTS**

Chair Underwood opened the floor for comments by members of the public. A Plan member asked about the Council Workshop. The Board members said that they were going to set up, through Mr. Phillips, a way for members to send in their concerns so they can be addressed at the workshop.

Mr. Phillips asked for a listing of the plan membership. Mr. Shamoun stated that he would put this together for Mr. Phillips. Mr. Muniz suggested that this be posted on the bulletin boards located throughout the Town. Members asked about posting things to the Town website and using their systems for Pension business. Mr. Underwood asked that the plan administrator send a letter to the Town Administrator requesting that the Board be given the ability and use of the town's website and server access and e-mail access.

The next meeting will be determined by availability of Board members for a special meeting in March at 5:00 in the council chambers.

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 6:10 p.m.

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**Date approved**

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**Chair/Committee Member**



**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
March 21, 2007 at 5:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 5:04 p.m.

Present at the meeting were Vice Chair Grace Hall, Secretary Russell Muniz, John Phillips, Don DiPetrillo and Mark Kutney. Also present was Adam Levinson, Esquire, and Paul Shamoun, FMPTF.

**2. APPROVAL OF MINUTES**

2.1) Minutes for the January 25, 2007 meeting

**Motion** made by Mr. DiPetrillo, seconded by Mr. Phillips that the Board approves the minutes as revised. In a voice vote, the motion passed unanimously.

**3. OLD BUSINESS**

**3.1 Joint Workshop with Town Council**

Mr. Shamoun informed the Board that this item was placed on the agenda as an informational update on the progress in scheduling the Town Council Workshop. Ms. Hall stated that she thought that this was a special meeting to elect a new Chairperson. Mr. Phillips stated that he was going to talk to the membership, but he does not currently have access to the Town website and member list and e-mail server. He stated that a letter was to be written to the Town Administrator. Mr. Shamoun stated that had not been completed and that the letter would go out by the end of the week. Mr. Muniz stated that he thought that the Board was to meet and talk about the information gathered from the members and then put together a list of topics for the Town Council.

**4. New Business**

**4.1 – Introduction of New Board Member**

Ms. Hall announced that Mr. Mark Kutney is the new member of the Board and that he had been elected by the Management Employee members to replace the position formerly held by Mr. Underwood. Mr. Muniz stated that he needed to be sworn in as a Board member. It was noted that none of the other Board members had been sworn in previously. The Board decided that since there was a representative of the Town Clerk's office present that they should all take this opportunity to take the Oath of Office. All members of the Board were sworn in.

#### **4.2 – Election of new Chairperson**

Due to the retirement of former Chairperson Underwood, it is necessary to elect a new Chairperson.

**Motion** made by Mr. Phillips, seconded by Mr. Muniz, to nominate Ms. Hall as Chairperson.

Ms. Hall opened up the discussion to the floor and Mr. Mark Allen, Human Resource Director for the Town asked to nominate Mr. DiPetrillo. The nomination was not seconded and the motion was put to a vote. In a voice vote, the motion passed unanimously.

At this point, Ms. Hall added an agenda item, Election of a Vice-Chairperson. Since Ms. Hall held this position and was elected Chairperson, the floor was opened up for nominations for Vice-Chairperson. Ms. Hall passed the gavel and nominated Mr. DiPetrillo.

**Motion** made by Ms. Hall, seconded by Mr. Muniz, to nominate Mr. DiPetrillo as Vice-Chairperson. In a voice vote, the motion passed unanimously.

The Board then discussed that the membership was not being made aware of the actions taken by the Board and that the Town was not being informed of things that are going on. Currently members are contacting the administrator directly and the Town is being cut out of the loop. Mr. Shamoun suggested that the information flow through the HR department and that they would put together a distribution package for HR so they can give the information to the employee. Mr. Allen, asked that he be copied on information on the agenda and minutes so that it can be available to the members.

**Motion** made by Mr. DiPetrillo, seconded by Mr. Muniz, have retirement information flow through the Human resources office at the Town. In a voice vote, the motion passed unanimously.

Ms. Betty Gibson addressed the Board about the dissemination of information to plan members who do not have access to e-mail. This will be sent to the departments by HR.

Adam Levinson suggested that members should receive a copy of the Summary plan description.

#### **4.3 – Ratification of Payments**

**Motion** made by Mr. Muniz, seconded by Mr. DiPetrillo, to ratify all payments made since the last Board meeting. In a voice vote, the motion passed unanimously.

#### **4.4 – Ratification of Retirement – William Underwood**

**Motion** made by Mr. DiPetrillo, seconded by Mr. Muniz, to ratify the retirement of Mr. Underwood. In a voice vote, the motion passed unanimously.

**4.5 – Ratification of Retirement – Thomas Powell**

**Motion** made by Mr. DiPetrillo, seconded by Mr. Muniz, to ratify the retirement of Mr. Powell. In a voice vote, the motion passed unanimously.

**4.6 – FMPTF Returns as of December 31, 2006**

This agenda item was skipped as the presentation was made at the last meeting.

**5. LEGAL COMMENTS**

Mr. Levinson addressed the Board and wanted to take this opportunity to let the Board know about the financial disclosure reporting that needs to be completed annually. Mr. Muniz said that his office can provide the information to any of the members that needed it. The deadline to file is June 30 with a 90 day grace period. Mr. Levinson also talked about a letter they received regarding codifying the pension plan into the town code. Since his firm represents all three plans, they have contacted the Town stressing the importance of codifying this ordinance.

**6. ADMINISTRATOR COMMENTS**

The administrator informed the Board that he had no additional comments.

**7. PUBLIC COMMENTS**

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 6:18 p.m.

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**Date approved**

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**Chair/Committee Member**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
May 14, 2007 at 5:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 5:01 p.m.

Present at the meeting were Chair Grace Hall, Secretary John Phillips, Russell Muniz, Don DiPetrillo and Mark Kutney. Also present was Adam Levinson, Esquire, Klausner & Kauffman and Paul Shamoun, FMPTF.

**2. APPROVAL OF MINUTES**

2.1) Minutes for the January 25, 2007 meeting

**Motion** made by Mr. Muniz, seconded by Mr. Kutney that the Board approves the minutes as revised. In a voice vote, the motion passed unanimously.

**3. OLD BUSINESS**

**3.1 Joint Workshop with Town Council**

Mr. Shamoun informed the Board that this item was placed on the agenda as an informational update on the progress in scheduling the Town Council Workshop. Mr. Shamoun presented the unedited e-mail responses from the members. The members asked that the comments be categorized and summarized for the next meeting.

Mr. Kutney asked the administrator about a statement that was received stating that the Town of Davie was among the lowest multiplier rates in the county. Mr. Shamoun responded by stating that many municipal employees, as well as county and school board employees in the FRS have a 1.6% multiplier rate.

**Motion** made by Mr. Muniz, seconded by Mr. DiPetrillo, to summarize the points made by members and to send a letter to the Town Administrator requesting the Workshop. Additionally the letter should come from the Chairman.

Mr. Muniz left the meeting at 5:37 p.m.

**4. New Business**

**4.1 –Ratification of Payments**

**Motion** made by Mr. DiPetrillo, seconded by Mr. Kutney, to ratify all payments made since the last Board meeting. In a voice vote, the motion passed unanimously.

**4.2 – Investment Performance Review**

Mr. Shamoun gave a presentation of the investment return for the period ending March 31, 2007.

**4.3 – Review of Section E2(b) Purchasing of Prior Service**

Mr. Phillips asked to review this section of the document to review the past service purchase provision of the plan. Specifically, members had contacted him regarding changing the time period to purchase past service to be lengthened from 12 months to 5 years. Mr. Shamoun explained that this is something that is controlled by the Town Council and would need to be amended by an ordinance.

**5. LEGAL COMMENTS**

Mr. Levinson addressed the Board and wanted to take this opportunity to let the Board know about the financial disclosure reporting that needs to be completed annually. Mr. Muniz said that his office can provide the information to any of the members that needed it. The deadline to file is June 30 with a 90 day grace period. Ms. Hall asked attorney Levinson about the definition of Pensionable Earnings. He indicated that in section D of the Adoption Agreement states, “Total Cash Remuneration for Services Rendered”, which included all compensation. The Board asked about Participant Statements and Mr. Shamoun indicated that they had been prepared and were being reviewed by the Finance Staff.

**6. ADMINISTRATOR COMMENTS**

The administrator informed the Board that he asked the Performance Consultant to prepare an asset allocation study for the plan based on the request by the Board at the last meeting. Mr. Shamoun reviewed the information with the Board. Mr. Shamoun informed the Board that the investment allocation is something that they do control and that it is within their powers to alter the allocation.

**7. PUBLIC COMMENTS**

Mr. Bill Gallagher with the Davie Police Department asked in reference to the workshop would he be able to speak to the council. The Board told him that he would be able to speak to the Town Council.

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 6:04 p.m.

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**Date approved**

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**Chair/Committee Member**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
August 10, 2007 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:01 a.m.

Present at the meeting were Chair Grace Hall, Secretary John Phillips, Russell Muniz, William Ackerman and Mark Kutney. Also present was Robert Klausner, Esquire, Klausner & Kauffman and Paul Shamoun, FMPTF(via Telephone).

**2. DISCUSSION OF JULY 27,2007 TOWN COUNCIL WORKSHOP**

Mr. Klausner informed the board that the Town Council heard from members of the plan about a number of issues. The members discussed benefit enhancements as well as issues related to perceived inequities during a previous retirement plan conversion. Members also mentioned the need to have an intermediate benefit level between the current General and Management benefits. Middle supervisors were to be included within this. Mr. Klausner said that was followed up by a meeting on August 3<sup>rd</sup>, held with Ken Cohen, Grace Hall, Bill Ackerman and myself and that actually lead to this because at that time it was announced after that meeting that Bill was going to be appointed as the representative for management on the board to replace the former Fire Chief and that meant that any discussions that would have taken place with Grace or Bill would violated the sunshine law. Because now you have two members of the board who may be called upon to vote on an issue to recommend action to the Town Council, hence these discussions are taking here.

Mr. Klausner reviewed the items talked about by the participants and recommended that they send these items to the actuary to determine the cost of the various options.

Mr. Muniz stated that he remembered that the town Council wanted the Board to look into 3 points, which were:

1. Costing out of the Healthcare subsidy benefit
2. Increasing the Multiplier
3. Decreasing the Retirement Age

Mr. Muniz stated that at the presentation to the Town Council, Mr. Klausner represented to the Council that the 2% multiplier rate was low compared to other municipalities and that given that fact that the plan is non-contributory on the part of the employees, was in fact a generous plan. He also stated that the Town had done some research prior to the adoption of the current benefits and that at the time it was greater than what is offered by other municipalities. He wondered if Mr. Klausner knew of some other information that he was not aware of. Mr. Klausner stated that the Council members were given a listing

of all benefit levels of all municipalities in the state so they would have as much information as possible.

**3. APPOINTMENT OF NEW VICE-CHAIRMAN**

The Chairman opened the floor for nominations for the position of Vice-Chairman of the Board of Trustees due to the departure of the former Trustee DiPetrillo.

**Motion** made by Mr. Muniz, seconded by Mr. Kutney, to nominate Mr. Ackerman to the position of Vice-Chairman. In a voice vote, the motion passed unanimously.

**6. ADMINISTRATOR COMMENTS**

The Chairman asked to have a meeting in the last week of August or sometime in September. The Board decided to have the meeting on Thursday, September 20, 2007 at 4:00. Also, they agreed to hold a workshop after the actuarial cost study is received to discuss these issues with more time than just a quarterly meeting.

**7. PUBLIC COMMENTS**

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:11 a.m.

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**Date approved**

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**Chair/Committee Member**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
September 20, 2007 at 4:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 4:01 p.m.

Present at the meeting were Chair Grace Hall, Secretary John Phillips, Russell Muniz, William Ackerman and Mark Kutney. Also present were Stuart Kaufman, Esquire, Klausner & Kauffman and Paul Shamoun, FMPTF.

**2. APPROVAL OF MINUTES**

Members reviewed the minutes of the May 14 and August 10 meetings. Members commented that there were changes to both sets of minutes that needed to be made. Members reviewed their comments and subject to the changes the following motions were made;

**Motion** made by Mr. Muniz, seconded by Mr. Kutney, to approve the May 14, 2007 Minutes, the motion passed unanimously.

**Motion** made by Mr. Kutney, seconded by Mr. Muniz, to table the August 10, 2007 Minutes until the Administrator reviewed the recording, the motion passed unanimously.

**3. OLD BUSINESS**

**Item 3.1, Results of Actuarial Study**

Members reviewed the cost study prepared by Southern Actuarial Services on the items outlined after the Town Council Workshop. Members expressed a desire to hold a special workshop to review each item without time constraints. Members discussed dates and times to hold the workshop.

**Motion** made by Mr. Ackerman, seconded by Mr. Muniz, to table the final review until the November 1, 2007 meeting, the motion passed unanimously.

The workshop will be scheduled for Thursday, October 18, 2007 at 10:00 a.m.

**Item 3.2, Status of Board Information Book**

Chairman Hall asked that this be placed on the agenda to facilitate a discussion about preparing an informational book for the members of the Board containing all relevant information about the plan as well as any procedures or administrative rules that the Board has passed. Mr. Kaufman said that he would put together the book and work with Mr. Shamoun over the next month.

**4. New Business**



**Item 4.1, Introduction of new Board member**

Chairman Hall announced that elections had been held for both management and general employees. She indicated that Mr. Manny Diez was elected as the Management member and would join the Board at the first meeting after October 1, 2007. Mr. Muniz talked about waiting to elect a new Chairman until the new Board member joins after October 1, 2007. The Board agreed that the plan attorney should draft a policy as to when elections are to be held and that the Chairman shall serve a 1 year term. This shall be 1 year from the date of appointment.

**Motion** to re-elect Ms. Hall to the position of Chairman for a 1 year term, the motion passed 4-1 with Trustee Muniz dissenting.

**Motion** made by Mr. Phillips, seconded by Mr. Kutney, to have the attorney review and recommend a policy regarding terms of office and to bring it back up at the November 1, 2007 meeting, the motion passed unanimously.

**Item 4.2 Appointment of New Chairman**

This item was added to the agenda to facilitate a conversation as to when the Chairman needs to be reelected to the position. Members agreed to have the Mr. Kaufman draft a policy as part of the Trustee information book.

**Item 4.3 Ratification of Invoice Payments**

Members asked the Administrator to place this item on the November 1, 2007 agenda for ratification. Members decided they needed more backup information prior to ratifying these payments.

**Item 4.4 Investment Presentation**

Dustin Heintz, Investment Manager with the Florida League of Cities gave members a presentation of the investment results as of June 30, 2007. The Board asked that given the current volatility in the markets and the issues surrounding the sub-prime mortgage issues, if there were any of these types of loans in the portfolios. Mr. Heintz responded that he had spoken to the managers on this subject and they have assured him that there are not sub-prime mortgages the bond portfolio and that the Broad Market Bond fund has maintained its AA rating.

**Item 4.5 Next meeting time and place**

Members were given a calendar and asked to look for dates for the next regular meeting of the Board. Members decided to hold the next regular meeting of the Board on Thursday, November 1, 2007 at 4:00p.m.

**5. LEGAL COMMENTS**

Mr. Kaufman discussed the issues with former member Don Dipetrillo. An issue has arose as to the definition of Compensation under the plan when it comes to severance pay. The Town finance department did not know how to treat the severance payments to Mr. Dipetrillo. Mr. Dipetrillo addressed the board and asked that the board decide that

the severance pay was for services rendered as the plan states. Mr. Kaufman advised the Board that under the plan, the Board of trustees is responsible for making determinations since the plan did not provide explicit direction. Members asked the Mr. Kaufman to research this subject and decided to table this item and hold a special meeting the following week on Wednesday, September 26, 2007 at 2:30 p.m.

**Motion** made by Mr. Muniz, seconded by Mr. Ackerman, to table this item until the September 26, 2007 special meeting and to ask the Mr. Kaufman to research the case law and to prepare a written opinion, the motion passed unanimously.

**6. ADMINISTRATOR COMMENTS**

The Administrator presented the Board with the request for authorization to perform an actuarial valuation of the plan. .

**Motion** made by Mr. Muniz, seconded by Mr. Phillips, to approve the request to perform and actuarial valuation of the plan, the motion passed unanimously.

**7. PUBLIC COMMENTS**

Several members of the public spoke about the upcoming workshop and asked that a summary be put together for the membership after the Board discussed these items. Additionally, a plan member spoke about the members of the plan that feel they were wronged by the Town in the past. The Board discussed her comments and asked here if she knew of any written documentation that could substantiate her claims. Mr. Ackerman stated that the Town's finance department has looked into this and could not find any records that indicated that any employees were harmed or not made whole when the town converted retirement plans several years ago.

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 6:05 p.m.

6/17/2011  
Date approved

M. Graft Hall  
Chair/Committee Member

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
September 26, 2007 at 2:30 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:33 p.m.

Present at the meeting were Chair Grace Hall, Secretary John Phillips, Russell Muniz, William Ackerman and Mark Kutney. Also present were Stuart Kaufman, Esquire, Klausner & Kauffman and Paul Shamoun by phone, FMPTF.

**2. OLD BUSINESS**

**Item 2.1, DEFINITION OF COMPENSATION – DONALD DIPETRILLO**

Chairperson Hall turned the meeting over to Mr. Kaufman at this point for a presentation and discussion of the definition of compensation with regards to former plan member Donald Dipetrillo. Mr. Kaufman reported to the board that he has done some research into case law regarding whether severance pay constitutes salary and whether this constitutes salary for services rendered. His research found two cases that are in the area of unemployment law. The courts have defined wages very broadly and have reached the determination that wages involves compensation paid to an employee for services rendered to an employer. The definition embraces salary, commissions, bonuses, vacation pay and severance pay. In Mr. Kaufman's opinion, in the context of Mr. Dipetrillo final pension benefit, that the severance pay that he received under his employment agreement does constitute compensation or salary under the terms of the pension plan. Under the terms of the plan, salary is defined as total enumeration for services rendered. Additionally, there is Florida case law that states the severance pay is pay for services rendered to the employer. Mr. Kaufman further stated that it is his firm's opinion that this severance pay should be included as pensionable compensation.

Mr. Muniz thanked Mr. Kaufman for researching this and thanked Mr. Dipetrillo for his patience in allowing the Board of Trustees to have a little more time to research this. Having said that, Mr. Muniz offered a motion to accept the recommendation of the plan attorney that the severance pay should be viewed as salary. This motion was seconded by Mr. Ackerman.

Mr. Phillips asked about page two of Mr. Dipetrillo's contract where it talks about his severance being based on salary. Mr. Kaufman stated that this was one of Mr. Dipetrillo's arguments that severance was salary. He said that in his opinion the contract did not state this and at this point it is moot since there is case law supporting his claim. Mr. Phillips then asked if this would mean that Mr. Dipetrillo's pension would have an additional 6 months of benefits. Mr. Kaufman stated that his termination date would be the same, he would have a spike in his final year salary. Mr. Shamoun then asked if all

the severance pay would be counted in the 2006-2007 plan year, since it would be paid out over the next 6 months. Mr. Kaufman stated that it would all count toward the salary for the 2006-2007 plan year. Mr. Phillips then asked if Mr. Dipetrillo would like to make any comments. At this time Mr. Dipetrillo thanked the Board for their consideration and mentioned that he had purchased 4 year of service in the plan at inception.

Mr. Phillips then mentioned that he has spoken to several members of the plan and some said the management members got a great deal to start with and this is just increasing their great deal, while others said it should absolutely be included.

Mr. Kutney asked if the motion should be to accept the opinion of the attorney, or should be amended to include more information. Mr. Kutney then stated that he thought the motion should be to make a determination that severance pay should be counted as pensionable salary. Mr. Muniz stated that he wanted to have both in there; 1) that the attorney made a determination and ,2) that it should be included.

Mr. Phillip asked if there were any members of the public would like to speak about this. Chairperson Hall then opened discussion to the floor. One member of the plan asked about the calculation of the benefits. He asked how a year of compensation is determined, and if it was based on calendar year or fiscal year. Mr. Shamoun responded that the salary is calculated in 12 month periods going back from the date of termination or retirement.

Chairperson Hall then called for a vote.

**Motion** made by Mr. Muniz, seconded by Mr. Ackerman, to accept the recommendation of the plan attorney that the severance pay should be viewed as pensionable compensation, the motion passed unanimously.

### 3. PUBLIC COMMENTS

There were not additional Public comments.

Mr. Ackerman asked who was responsible to post the meeting notices. Chairperson Hall responded that Mr. Mark Alan, Director of HR is responsible for the meeting notices.

Mr. Kutney stated that this was his last meeting and that is has been a pleasure serving on the board.

### 4. ADJOURNMENT

With there being no further business to discuss, the meeting was adjourned at 2:53 p.m.

M. Grace Hall

6/17/2011

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
October 18, 2007 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:11 a.m.

Present at the meeting were Chair Grace Hall, Secretary John Phillips, Mr. Russell Muniz, Mr. William Ackerman and Mr. Manny Diez. Also present were Mr. Robert Klausner, Esquire, Klausner & Kauffman and Mr. Paul Shamoun, FMPTF.

Chairperson Hall welcomed new Trustee Mr. Manny Diez and asked that he be sworn in as a member of the Board by Mr. Klausner. Mr. Diez was administered the oath of office.

**2. OLD BUSINESS**

**Discussion of the results of the actuarial cost study**

Mr. Klausner handed out operating procedures and said that these would be discussed at another meeting in the future.

Mr. Klausner asked if there was an updated plan document that was available. He asked if the actuary would be available, Mr. Shamoun stated that he would be available in an hour or so if needed by phone. Mr. Klausner asked if Mr. Shamoun would lead the discussion.

Mr. Ackerman asked about receiving the estimated costs of the benefit increases in a lump sum cost, rather than as a percent of payroll. Additionally, he stated that the funds to pay for these increases would be coming from the Town of Davie Endowment fund and cautioned the Board that any recommendation would need to keep this in mind. Mr. Klausner said that the actuary would be able to show the costs in a present value amount. He further stated that there were some benefits to paying it up front and that this is allowed under the rules setup by the state. Ms. Hall stated that it was her understanding that the funds for these improvements have always been proposed to be paid for by the endowment fund. The Board discussed the need to have the benefit paid in a lump sum from the Endowment fund rather than funding it over time.

A discussion then took place about the merits of up-front funding in that the fund would be earning approximately 8% as opposed to the current return of the Endowment fund which is invested in a money market type fund with a return far below 8%.

Mr. Shamoun went through each of the cost study items. He explained that you can not compare one study to another. This is because each study is independent of the others and each time a different study is run, it changes when people will retire and at what benefit level. The amount of future payroll number changes with each item, which is why there is not mathematical relationship between one study with a cost of 0.1% of payroll equaling \$10,000 and the next study that cost 0.8% of payroll, but the dollar amount is \$65,000.

Members then discussed the option of lowering the Normal Retirement Date for the general employees. Mr. Shamoun and Mr. Klausner went over the current Normal and Early Retirement dates.

Members then discussed the mortality tables currently being used and the actuarial costing method. Mr. Shamoun reported that the plan is currently using the 1983 group mortality tables and that these tables will be updated to the new tables in the next valuation of the plan. Mr. Klausner then spoke about using the aggregate cost method and that it is the most aggressive form of funding. This means that the plan will accumulate the more assets quicker. Mr. Shamoun told the Board that during the creation of the plan, it was decided by the Town that they should try to fund this as quickly as possible. Since there were significant liabilities and many members were granted vesting back to date of hire, the Town would fund the plan more aggressively to keep the funding status as high as possible.

Members then discussed the Town's endowment and the exact amount of funds that the Town would be putting forward toward these benefit increases. Chairperson Hall said that the number she heard was about \$850,000.00. Mr. Phillips heard the same amount. Chairperson Hall said that she knew that there was 3 million. Mr. Ackerman stated that there was approximately 2.5 million in the endowment. Mr. Muniz suggested that some of these items were almost no cost, like changing the vesting. Mr. Klausner suggested that the Board try to see what benefits they can buy for approximately 1 million dollars. He then informed the Board that many of these members were covered by a collective bargaining agreement and that some of these benefits might need to be negotiated by the Town and the Union.

Mr. Muniz suggested that increasing the multiplier rate for members would provide the most significant benefit for members. This would provide the greatest benefit for the most members. He further stated that the difference between the General Employee and Management employee is there to give people an incentive to move into management. He agreed that there is a need to have a middle tier for supervisors who do not fit into either category. Mr. Ackerman also stated that having a middle tier would further incentivize members to move up from General to supervisor and then on to management.

There was then a discussion about allowing members to purchase a higher multiplier rate. Mr. Shamoun then stated that the present value cost for the benefit would be the annual

amount multiplied by 7.5. In other words, if the cost was \$100,000 per year, than the up-front lump sum cost would be \$750,000.

Members then discussed what recommendation should be sent to the Town Council. Members talked about whether they should send a proposal or send options. Should it be a recommendation or a list of options? Members agreed that they should have a fall back position so that the Council would not table it. Members then continued going over the initial cost study. They next discussed the middle tier again. Mr. Shamoun told the Board that the middle tier had been part of the original "wish list" but the Town was not able to provide a list of members that would be placed in this middle tier. Mr. Klausner suggested that the Town could not just move the union employees and that the union would most likely want to be part of the discussion as to which members would qualify for this middle tier. He further stated that the only employees that the town could place into the middle tier would be the non-represented supervisors and that any changes to the union employees would need to be part of the collective bargaining process.

At this point Chairperson Hall talked about long term employees that were harmed when the Town changed from the old Defined Benefit plan to a Defined Contribution plan in the 1980's and again in the 1990's. She asked Mr. Ackerman to talk about the letter he received from Mr. Chris Wallace, former Town Finance Director regarding the previous termination of the Defined Benefit plan. Mr. Ackerman stated that it was his opinion that this matter was not for this Board. This Board was charged with the management of this plan and that things that may have happened in the past were outside this Board's responsibilities. Chairperson Hall stated that it was the Town Council's desire that this matter is looked into and the information be gathered to determine if employees were harmed by this previous transfer. She stated that this letter from Mr. Wallace was not factual, but rather his opinion. Mr. Klausner pointed out that in Mr. Wallace's letter, he references a study prepared by Towers Parren, and wondered if a copy could be found. Mr. Ackerman said that if the Town had retained a copy, it would have been found by now and no such study has been found. Mr. Ackerman suggested that the Board should go back to the Town Administrator for more direction on this subject. Mr. Klausner suggested that he try to contact Towers Parren and see if this study could be found. Chairperson Hall asked the Board's permission to meet with the Town Administrator with the Board attorney to discuss this issue. Mr. Klausner suggested that the Board appoint the Chair as a committee of one to facilitate this discussion. Chairperson Hall wants to get this matter resolved once and for all and Mr. Klausner suggested that the Board allow the Chair to meet with him and the Town administrator. Mr. Klausner also stated that at the Town Council workshop, the Council indicated that they should research whether any employees were harmed by the transfer and if so, those employees should be made whole.

A motion was presented to allow Chairperson Hall and Mr. Ackerman to act as a committee of two to meet with the Town Administration by Mr. Phillips, seconded by Chairperson Hall.

A discussion ensued as to whether this type of meeting needed to be noticed under the Sunshine Laws. Mr. Klausner said that he did not think it needed to be noticed. Mr. Diez stated that he would support this motion so that it could be resolved. The motion passed unanimously.

Mr. Ackerman then talked about the letter to the Town Council and that it should provide two options. Members then had a discussion of adding an employee contribution to provide more benefits. Mr. Klausner told the Board that an employee contribution needs to be mandatory in order for it to be tax sheltered and that having an employee contribution is an item that would need to be negotiated with the union. Mr. Ackerman expressed interest in allowing plan members to purchase a higher multiplier rate on their own.

Chairperson Hall asked if the Board could summarize the options and move forward with having another cost study done with revised numbers that reflect the current cost since the salary data. Ms. Hall said that they wanted to have this cost study updated and available for the November 1, 2007 meeting that has already been scheduled.

Items that should be considered are an increase for the General Employees in the multiplier rate from 2.00% to 2.25% and reducing the Normal Retirement age from age 60 to age 58. Members then talked about a mandatory 6% employee contribution and asked what this might buy. Mr. Shamoun pointed out that in the current study, increasing the multiplier rate for general members to 3% would cost 5.4% of payroll. Mr. Ackerman noted that if this plan were contributory, the benefits could be increased dramatically. Mr. Klausner pointed out that a 6% pre-tax employee contribution only reduces an employee's take home pay by about 4.5%.

Mr. Phillips suggested that the plan should go forward with what they have and adding more benefits paid for by the employee contribution at a later date. Mr. Klausner suggested that the actuary produce a cost study with these figures and that the Board could discuss at the next meeting.

Mr. Shamoun then asked to summarize the Board's direction to the actuary. The items to be included in the study are increasing the multiplier rate for general employees by 0.25% for all years of service after October 1, 2007 and reducing the retirement age from 60 to 58. The second part of the study would be to go from that point and see what the ongoing increase in payroll would be to increase the multiplier rate to 3%. Mr. Diez then asked about increasing the multiplier rate for the past years and what that would cost. Mr. Ackerman then asked that since the Board is still in the data gathering stage, could the study also include the cost for increasing the multiplier rate of the Management employees by 0.25% as well. Mr. Shamoun went over all the study items again so that everyone was on the same page. Mr. Diez asked if the results could be put into a table so it would be easy to compare the options. Mr. Ackerman mentioned that the Board had talked about the middle tier earlier and did the Board want to look at the cost of



providing this benefit? The Board discussed that there were too many parameters and union issues for this Board to move forward with this.

Mr. Shamoun then again summarized the studies that should be ordered.

**3. PUBLIC COMMENTS**

**4. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 12:03 p.m.

6/17/2011  
Date approved

M. Grace Hall  
Chairperson Hall

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
November 1, 2007 at 4:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 4:03 p.m.

Present at the meeting were Chair Grace Hall, Secretary John Phillips, Mr. Russell Muniz, Mr. William Ackerman and Mr. Manny Diez. Also present were Mr. Adam Levinson, Esquire, Klausner & Kauffman and Mr. Paul Shamoun, FMPTF.

At this time Ms. Hall asked if an additional item could be added to the agenda and also if this item could be taken up first. This agenda item would be to discuss the recent hiring of the new fire chief. Mr. Levinson gave an overview of the situation to the Board. The new Chief had the opportunity to join this plan and give up his rights to participate in the Fire plan. He stated that the Fire plan has no objection to him joining the management & general plan and that this Board should not have an issue with it either. Mr. Ackerman pointed out that the plan had already performed a past service purchase calculation for the chief.

A motion was presented by Mr. Ackerman and seconded by Mr. Phillips to place this item on the next agenda and to authorize another actuarial study if needed. The motion passed unanimously.

**2. APPROVAL OF MINUTES**

**2.1 APPROVAL OF MINUTES AUGUST 10, 2007**

The next item on the agenda was the approval of the meeting minutes from the August 10, 2007 meeting. Mr. Phillips noted some changes in the minutes and the Board had a discussion about how the minutes should look. Members asked Mr. Shamoun, in the future, if items are being presented verbatim, that these sections be indented to reflect verbatim transcripts.

A motion was presented by Mr. Muniz and seconded by Mr. Diez to accept the August 10, 2007 minutes as amended. The motion passed unanimously.

**2.2 APPROVAL OF MINUTES SEPTEMBER 20, 2007**

The next item on the agenda was the approval of the meeting minutes from the September 20, 2007 meeting.

Members then had a lengthy discussion about the terms of office and the election of Chairman and Vice-Chairman. It was determined that the terms of office for the Chairman and Vice-Chairman will run for a 1 year period starting on September 20, 2007. Members also asked Mr. Levinson to have a procedure drawn up outlining the election policies.

A motion was presented by Mr. Muniz and seconded by Mr. Diez to accept the September 20, 2007 minutes as amended. The motion passed unanimously.

### **3. OLD BUSINESS**

#### **3.1 ACTUARIAL STUDY**

Members next began a discussion about the actuarial study that has been performed by the plan's actuary. Mr. Shamoun reviewed the 12 separate calculations with the Board. Items that were discussed were reducing the retirement rates, increasing the multiplier rate and decreasing vesting for members of the general employee members. The Board reviewed and discussed each of the items at length. Mr. Ackerman asked members of the Board to consider the possibility of adding a middle tier to the plan for people in supervisory positions that are not part of the management level in the plan. Members discussed that these changes would change the collective bargaining agreement and would be outside the scope of this board's authority. Mr. Alan then addressed the Board and stated that changes to the plan that involved members of the bargaining unit would need to be negotiated and an agreement would need to be made. Even if the Board wanted to increase benefits for these members, the union would need to agree to it. Mr. Phillips asked Mr. Alan how difficult it would be to determine who would qualify to be in this middle tier. Members then asked if the increases in multiplier rates given certain amounts of employee contribution could be recalculated with the increase in multiplier being for future service only.

Members continued to go through the remaining items and discussed each. At the conclusion of their review, members decided to move to the next item on the agenda and schedule another meeting to further refine the options in the cost study.

#### **3.2 STATUS OF BOARD INFORMATION BOOK**

Mr. Levinson talked to the Board about the preparation of an information book for the Board Members. Mr. Shamoun and Mr. Levinson agreed to work together to put the book together. Members asked that it contain not only the policies and procedures of the Board, but also the contact information for the various professionals working for the Board and the administrator. This item will be brought back at a later meeting.

A motion was presented by Mr. Muniz and seconded by Mr. Phillips to table this item until the next meeting. The motion passed unanimously.

#### **3.3 PROPOSED OPERATING RULES AND PROCEDURES**

**4. NEW BUSINESS**

**4.1 RATIFY/ APPROVAL OF INVOICE PAYMENTS**

Member's questioned the bill from Klausner & Kaufman and reported that it appeared that there was a charge on there that was not for their plan. They asked Mr. Levinson to review this charge and let the Board know. Mr. Shamoun stated that there was an invoice in July that was double paid and that the Board had a credit with Klausner & Kaufman. Mr. Ackerman then stated that he had reviewed the contract with Klausner & Kaufman and that it called for a flat fee on \$500.00 per Board meeting and it appeared that the Board was being charged an hourly rate. Mr. Levinson said that it was his firm's policy not to dispute bills and that if in fact the Board had been overcharged, that they would gladly refund the plan. He agreed to work with Mr. Shamoun and report back to the Board at the next meeting.

A motion was presented by Mr. Ackerman and seconded by Mr. Phillips to ratify the payments and to have the attorney bill reviewed and brought back at the next meeting. The motion passed unanimously.

Mr. Shamoun explained the new fee structure to the Board that was affective November 1, 2007. This will result in an increase of \$750.00 per quarter.

A motion was presented by Mr. Diez and seconded by Mr. Muniz to accept the new fee structure and continue using the services of the FMPTF. The motion passed unanimously.

**5. LEGAL COMMENTS**

Mr. Levinson gave a report on the current legal cases in the courts and informed the Board that Mr. Klausner will be arguing a case in front of the Supreme Court in January and that his offices will probably be shutting down during this time.

**6. ADMINISTRATOR COMMENTS**

**7. PUBLIC COMMENTS**

At this time several members of the public addressed the Board and remarked about several of the cost study items.

At this time, Mr. Ackerman wanted to ask a few questions of the attorney about members of the plan who leave employment and then return to the Town. He asked if he could send these questions to the Board Attorney.

A motion was presented by Mr. Muniz and seconded by Mr. Ackerman to allow Mr. Ackerman to send his questions to the attorney in order to receive a definitive answer. The motion passed unanimously.

Mr. Ackerman informed the Board that there were three participants who had purchased past service. The participant filled out the paperwork and submitted it within the window

of time outlined in the policy. At no fault of the participant, the Defined Contribution provider, Great West failed to process the requests. This resulted in the assets not being transferred to the FMPTF for the past service purchase in the amount of time as outlined in the policy.

A motion was presented by Mr. Ackerman and seconded by Mr. Muniz to waive the 90 day requirement for these employees only. The motion passed unanimously.

A motion was presented by Mr. Muniz and seconded by Mr. Phillips to instruct the attorney to send an e-mail to Great West putting them on notice. The motion passed unanimously.

**8. NEXT MEETING TIME AND DATE**

A motion was presented by Mr. Diez and seconded by Mr. Muniz to table the cost study and hold workshop to discuss in more detail. The motion passed unanimously.

The next meeting will be a workshop scheduled for November 21, 2007 at 10:00 a.m.

**6. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 6:44 p.m.

6/17/2011  
Date approved

M. Grace Hall  
Chairperson Hall

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
November 21, 2007 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:13 a.m.

Present at the meeting were Chairperson Grace Hall, Secretary John Phillips, Mr. Russell Muniz, Mr. William Ackerman and Mr. Manny Diez. Also present were Robert Klausner, Esquire, Klausner & Kauffman and Paul Shamoun, FMPTF.

**2. OLD BUSINESS**

**2.1 ACTUARIAL STUDY**

Mr. Shamoun reviewed the new studies that were performed by the plan actuary. Mr. Shamoun outlined each of the items that the Board had requested at the last meeting. Mr. Shamoun directed the Board's attention to the last page of their packet. This page contained a spreadsheet with each option containing both the lump sum amount as well as the ongoing cost to the plan. He noted that the last two columns had been calculated using \$13,000,000.00 in payroll, to more accurately reflect the estimated cost of each option.

Mr. Ackerman wanted to point out to the members that with the pending tax reform amendment that the Board may not want to draw attention to the retirement benefits when the Town Council might be looking for places to make cuts. Additionally, Mr. Ackerman noted, that in a quick survey of other municipalities near Davie, that the average multiplier rate was 2.78%, with an average employee contribution of 7.2%. Based on the costs on this revised study, if the employees put 6% of salary into the plan, the multiplier rate could be raised to 2.82%. Mr. Ackerman expressed concern that some of the options that have been considered might look greedy, given the high level of benefits already provided to the members of the plan. Mr. Ackerman suggested that the recommendation to the Town Council be postponed until the upcoming union negotiations later this year.

Mr. Diez stated that while he had no objection to what Mr. Ackerman said, he did not want the Board to become an active member in negotiating a contract and that the Board may want to send copies of this information to the Town and the Union.

Mr. Phillips stated that the Board has been meeting for over a year, met with the Town Council, had 5 meetings and numerous studies, and does not want to just abandon the effort at this time.

Members then discussed the current conditions given the proposed decreases in revenues that the Town might face in the near future.

Ms. Hall mentioned that the Board had put forth a resolution to increase the benefits of the plan and that the item was pulled and then tabled.

Mr. Klausner stated that clearly the focus of the Board, knowing that there was a certain amount of money available from the endowment, what is the best package that can be afforded. It seemed that the Board has settled on two areas; 1) increasing the multiplier rate above 2%, 2) decreasing the Normal retirement Age. Also, the report to the Council should include information about benefits that can be increased given that an employee contribution is added to the plan. This would be beyond the Board's mission and would require collective bargaining. Mr. Klausner suggested that this information be provided to the Town and the employee organization to consider during their upcoming labor negotiations.

Mr. Muniz stated that when the plan was created there was a separation of General and Management employees for a reason and he worried about compression of benefits. Mr. Muniz is in favor of increasing the benefits, but would rather support something that increases the benefits for all employees in the plan, not just the general employees. Option 5 includes the management employees as well, and to avoid issues of compression he would support this.

Mr. Klausner talked about the benefits of having an employee contribution to increase the benefits further. If an employee contribution was added to the plan in the amount of 6%, the multiplier could be increased to 2.8%, a 40% increase in retirement benefits.

Mr. Klausner said that he could prepare a memo to the Town council with the results of the lengthy process the Board has gone through.

Mr. Diez suggested that the Board vote on each of the proposals individually and see which of the proposed benefit increases has support.

Mr. Klausner said that a minority report could be created to show the Town Council that these options were considered, and show that the majority did not support it, but there was minority support.

Ms. Hall mentioned the original 5 items that the Town Council asked the Board to look into. Increases for the management employees were never discussed. Mr. Muniz pointed out that the direction of the Town Council was to provide recommendations for the employees of the plan, not just the general employees.

Mr. Klausner offered to put the different proposals into a letter and suggested that a special meeting be held the week of December 3<sup>rd</sup> to finalize the letter. Mr. Phillips stated that he thought that this could be handled at this time and that another meeting was not needed. He thought this meeting was to finalize it.

A motion was presented by Mr. Phillips to make the recommendation to the Town Council for changes to the plan that include reducing the Normal Retirement Age for General employees from age 60 to age 58, increase the multiplier rate for General employees from 2% to 2.25% and increase the multiplier rate for Management employees from 3% to 3.25%. This motion was seconded by Ms. Hall.

Ms. Hall spoke about the vesting schedule for Management Employees. Currently vesting is at 3 year of service for Management and 6 years for general Employees. Ms. Hall suggested that the vesting for the Management employees be increased to 5 or 6 years for newly hired Management employees and decreased to 5 years for general employees. If this were added, Ms. Hall would be in support the motion.

Mr. Muniz spoke that holding a management employee for 6 years is a hard thing to do given the political environment; this might adversely effect the hiring of new managers. Mr. Muniz said that he could support moving it to 5 years. Council should receive communication that states that the multiplier rate is being increased for all employees by 0.25%, the retirement age for general employees is being reduced and the vesting for management employees is being increased.

Mr. Shamoun pointed out that the cost of decreasing the vesting for General Employees to 5 years was 0.10% of payroll or \$10,000.00.

Mr. Ackerman expressed similar concerns about recruiting of managers.

Mr. Alan asked to speak on this subject. Mr. Alan stated that having 5 year vesting will help the Town recruit new employees, however, he strongly recommends not increasing the vesting for management too high. Mr. Alan suggested to decrease the vesting for general Employees by one year and increase the vesting for Management employees by one year.

Mr. Klausner read back to the Board to monition that is currently on the floor. Mr. Phillips agreed to amend his motion to include the items outlined by Mr. Klausner.

Having a motion on the floor that has been seconded, the Board voted the following:

Mr. Phillips	Yes
Mr. Diez	Yes
Mr. Muniz	Yes
Mr. Ackerman	No
Ms. Hall	Yes

The motion carried 4-1.

## **8. NEXT MEETING TIME AND DATE**



The next meeting will be a workshop scheduled for December 5, 2007 at 2:00 p.m.

Mr. Klausner handed out the Board information book that his firm has prepared. He noted that these were in draft form and that the Board needed to review the policies and procedures. Mr. Klausner has also prepared the e-mail to Great West that the Board had asked to be prepared last time. Additionally, Mr. Klausner has reviewed the issues raised in the last meeting regarding the invoices and they have credited the account to correctly reflect the flat \$500.00 per meeting fee. This has resulted in a credit to the plan and has been added to the current invoice. Mr. Klausner spoke about the new Florida Statute regarding the usage of the Social Security Numbers.

A motion was presented by Mr. Muniz and seconded by Mr. Phillips to authorize Ms. Hall to sign off on the payment due to Klausner & Kaufman. The motion passed unanimously.

**6. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:27 a.m.

6/20/2011  
Date approved

M. Grace Hall  
Chairperson Hall

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
December 5, 2007 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:08 p.m.

Present at the meeting were, Chairperson Hall, Secretary John Phillips, Mr. Russell Muniz, Vice Chairman William Ackerman and Mr. Manny Diez. Also present were Stuart Kauffman, Esquire, Klausner & Kauffman and Paul Shamoun, FMPTF.

**2. NEW BUSINESS**

**2.1 WORKSHOP TO DISCUSS RESULTS OF COST STUDY**

Ms. Hall announced that this meeting was to review and approve the final version of the letter to the Town Council. Members made several comments and asked that these items be included in the letter. Members wanted several items to be combined so that there was some continuity to the recommendations. Mr. Ackerman also stated that at the last meeting there was to be a minority report created showing his position to this given the pending tax reform that will be coming. Mr. Ackerman was open to discussing the middle tier again and just wanted to reiterate position to going forward.

Mr. Shamoun stated that the Board might want to consider language that the multiplier rate increase should be from October 1, 2007 and that this should be stated in the letter. Mr. Diez stated that he is not fully in support of increasing the vesting for the Management employees from 3-5 years. Members asked if they could change the letter since they voted on it last meeting. This was noticed as a workshop and they could schedule another meeting. Mr. Shamoun stated that the motion that the Board would need to make would be to give the plan attorney direction on the language that needed to be changed and authorize him to send the letter. At this time Mr. Kaufman restated the changes to the letter to make sure everyone was in agreement as to the language that would be used.

At this time it was pointed out that this was a regular meeting and that the agenda item was a workshop to discuss the results of the cost study. This is a regular meeting that the Board could take action at. It was noticed as a meeting of the Board and the Board could take action at any advertised meeting.

Motion to reconsider the benefits that are being recommended to the Town Council was made by Mr. Ackerman and seconded by Mr. Muniz.

Ms. Hall called for a roll call vote.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
DECEMBER 5, 2007  
Page 2

Ms. Hall – No  
Mr. Ackerman – Yes  
Mr. Muniz – Yes  
Mr. Diez – Yes  
Mr. Phillips – No  
The motion carried 3-2

Mr. Muniz then offered a motion to include all the items as discussed before, but increasing the vesting for newly hired Management employees from 3-4 years instead of 3-5 years. The motion was seconded by Mr. Diez.

Mr. Phillips asked that the past service purchase provision be amended. Currently a new employee needs to purchase the past service within one year and he wanted to have this timeframe increased from 12 months to 5 years. Mr. Muniz and Mr. Diez both accepted the addition of this change to the motion.

A motion was made and seconded to instruct the plan attorney to make the changes that have been outlined and to have the attorney send the letter to the Town Administrator, Mayor and the Town Council.

Ms. Hall called for a roll call vote.  
Ms. Hall – No  
Mr. Ackerman – No  
Mr. Muniz – Yes  
Mr. Diez – Yes  
Mr. Phillips – Yes  
The motion carried 3-2

Members asked that a resolution be prepared to go along with the letter to the Town Council and the letter should also include an invitation to the Town Council to hold a workshop with the Pension Board. The motion was made by Mr. Diez and seconded by Mr. Ackerman.

Ms. Hall called for a roll call vote.  
Ms. Hall – Yes  
Mr. Ackerman – Yes  
Mr. Muniz – Yes  
Mr. Diez – Yes  
Mr. Phillips – Yes  
The motion carried unanimously

Mr. Kauffman asked that the actuary prepare an impact statement to accompany the letter and resolution.

**3 LEGAL COMMENTS**

There were no additional comments.

**4. ADMINISTRATOR COMMENTS**

There were no additional comments.

**5. PUBLIC COMMENTS**

Several members of the public offered support to the letter and the changes contained within.

**6. NEXT MEETING TIME AND DATE**

As discussed earlier, the next meeting will be held on Thursday, February 12, 2008 at 4:00 p.m.

**7. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 3:13 p.m.

6/20/2011  
Date approved

M. Grace Hall  
Chairperson Hall

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
February 19, 2008 at 3:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 3:06 p.m.

Present at the meeting were, Secretary John Phillips, Mr. Russell Muniz, Vice Chairman. William Ackerman and Mr. Manny Diez. Also present were Adam Levinson, Esquire, Klausner & Kauffman and Paul Shamoun, FMPTF. Absent from the meeting was Chairperson Grace Hall.

A motion was presented by Mr. Muniz and seconded by Mr. Diez to excuse Chairperson Hall from participation at the meeting. The motion passed unanimously.

**2. APPROVAL OF MINUTES**

**2.1 Minutes September 26, 2007**

Members noted some corrections to the minutes and a motion was presented by Mr. Muniz and seconded by Mr. Ackerman approve the minutes as amended. The motion passed unanimously.

**2.2 Minutes October 18, 2007**

Members noted some corrections to the minutes and a motion was presented by Mr. Muniz and seconded by Mr. Diez approve the minutes as amended. The motion passed unanimously.

**2.3 Minutes November 1, 2007**

Members noted some corrections to the minutes and a motion was presented by Mr. Muniz and seconded by Mr. Phillips approve the minutes as amended. The motion passed unanimously.

**2.4 Minutes November 21, 2007**

Members noted some corrections to the minutes and a motion was presented by Mr. Muniz and seconded by Mr. Phillips approve the minutes as amended. The motion passed unanimously.

**2.5 Minutes December 5, 2007**

It was noted that these minutes were not included in the agenda packet and a motion was presented by Mr. Muniz and seconded by Mr. Phillips to table this item until the next meeting. The motion passed unanimously.

### **3 OLD BUSINESS**

#### **3.1 LETTER TO TOWN COUNCIL**

Mr. Levinson informed members that the letter to the Town Council had not been sent. He asked members to review the draft letter that his office prepared and asked for comments.

Members commented on the draft letter and asked that several items be included. The letter should include information about the resources being expended to come up with a benefit package that was refined from many options. Also, it should address allowing members to purchase past service at any time, not just when newly hired. Benefit increase should be from the date of adoption by the Town Council. Additionally, these changes should also be made in the resolution being presented to the Town Council as well.

A motion was presented by Mr. Ackerman and seconded by Mr. Muniz to present the Letter to the Town Council as amended. The motion passed unanimously.

Mr. Ackerman wanted to clarify that the letter was going to the Town Administrator. Mr. Levinson said that he would send it to the Mayor, the Town Council and the Town Administrator.

### **4. NEW BUSINESS**

#### **4.1 INVESTMENT PRESENTATION AS OF DECEMBER 31, 2007**

Mr. Shamoun presented the Investment Report for the quarter ending December 31, 2007. Members reviewed the overall performance of the plan as well as the individual portfolios.

Members then had a discussion of the investment rate assumption used by the actuary in doing the plan's valuations. Members asked if an 8% assumption was normal. Mr. Shamoun said that the bulk of the FMPTF members use a 7.55 assumption and that Davie was on the higher end of the FMPTF members, but the 8% was not out of the norm of retirement plans in Florida.

#### **4.2 RATIFY/APPROVAL OF INVOICE PAYMENTS**

Members had a discussion about the fees being charged by the actuary for the retirement calculations, and why some of them are more expensive than others. Mr. Shamoun explained that because of the 415 issues with some of the retirees, some of the costs are much more expensive than others. Members removed one of the payments, Invoice #2008-016 in the amount of \$150.00. Members next discussed the fees from Klausner & Kaufman.

A motion was presented by Mr. Diez and seconded by Mr. Phillips to present the Letter to the Town Council as amended. The motion passed 3-1 with Mr. Muniz dissenting.

#### **4.3 RATIFY/APPROVAL OF RETIREMENTS**

Mr. Shamoun informed the Board that there were 3 retirees that needed approval. These are retirees that have been approved by the Chair and need Board ratification. Members reviewed the retirement calculations and a motion was presented by Mr. Muniz and seconded by Mr. Diez to ratify the retirement benefit payments. The motion passed unanimously.

#### **4.4 TRAVEL POLICY**

Members agreed to discuss that at the workshop to be scheduled in the next month or so. Members discussed several meeting dates including March 27<sup>th</sup>. All members said that worked for them at 3:00. There would be two items on the agenda: 1) the Operating rules and procedures (Black book) and that they would try to get thru as much of the book as they could. Members said that the main purpose of the workshop would be to review Chapter six of the book.

### **5. LEGAL COMMENTS**

Mr. Levinson passed out a draft ordinance that his office has been working on several weeks which affects this plan, the Police plan and the Fire plan. Mr. Levinson explained that this ordinance allows the police or fire chief whether hired or promoted, to leave their respective plans and move their liabilities and assets from the other plan to this plan. The assets that would be transferred from the Police or Fire plan would be the actuarial present value of the benefit earned in the current plan. This amount could be greater or smaller than the actuarial present value of the benefit that would be given in this plan.

Mr. Levinson explained that the Police or Fire plan had some benefits that were greater than this plan and this plan has some benefits that are better. Members discussed the implications of the draft ordinance. Mr. Levinson explained that the Town is responsible for funding all the plans and where there might be an actuarial loss in this plan, there might be a corresponding actuarial gain in the other plan.

Mr. Shamoun informed the board that the City of Boca Raton has a similar provision for general employees that are in the general employee plan that are promoted to the management plan. In this case, the present value of the accrued benefit is transferred to their management plan. Mr. Shamoun also offered a suggestion to the Board. He suggested that the Board might want to consider revising the language to state that the Police or Fire plan, in this situation should transfer the present value of the accrued benefit in the General & Management plan. Have the plan actuary calculate the past service purchase cost and have the Police or Fire plan transfer that much, that way, the General and Management plan would not be shorted. Mr. Phillips agreed that this might be a good solution. Mr. Levinson said that there is no right way to do this and the board could make it as easy or hard as they want. Members were concerned about protecting the

plan and did not want to accept a shortfall from one of the other plans. Mr. Diez expressed his agreement that this Board is here to protect this plan.

Mr. Ackerman said that the current Fire Chief has been waiting for a decision to join this plan. Members decided to bring this back to the meeting next month to discuss. Mr. Diez asked what the attorney was looking for from the Board. Mr. Levinson said he could send it to the Town or wait until the next meeting so they could discuss. Members continued the discussion and decided to table this until the next meeting. Mr. Ackerman also stated that this has not been seen by the Town Administrator's office and the Town Administrator should be given time to review. Mr. Ackerman said he would work with the attorney to make the changes so that a new draft would be ready to review for the meeting.

Mr. Levinson had one additional item, which was the Social Security Usage Policy and informed members that his office has responded to the Speaker of the House with information. Mr. Shamoun also informed the Board that the FMPTF had complied with this statute and that he would have a copy for the Board at the next meeting.

The last item that Mr. Levinson wanted to discuss with the Board was a question as to what happens when a member is promoted to a management position. Mr. Levinson pointed out how each benefit is different for each group and wanted to point out section G2. He would like members to discuss this at the next meeting. Mr. Ackerman discussed an example of an employee who has been with the Town for several years and is promoted into a management position, should this employee receive a 3% benefit for all years. Could they be promoted into a management position and leave the next day with all years at 3% even though the plan has not funded for this.

**6. ADMINISTRATOR COMMENTS**

There were no additional comments.

**7. PUBLIC COMMENTS**

There were no additional comments.

**8. NEXT MEETING TIME AND DATE**

As discussed earlier, the next meeting will be held on Thursday, March 27, 2008 at 3:00 p.m.

**9. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 5:09 p.m.

6/20/2011  
Date approved

M. Grace Hall  
Chairperson Hall



**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
March 31, 2008 at 3:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 3:09 p.m.

Present at the meeting were, Chairperson Grace Hall, Secretary John Phillips, Mr. Russell Muniz and Mr. Manny Diez. Also present were Adam Levinson, Esquire, Klausner & Kauffman and Paul Shamoun, FMPTF.

Mr. Levinson asked if Item 5.1 could be moved to the first item to accommodate the fire chief who was in the audience.

A motion was presented by Mr. Diez and seconded by Mr. Muniz move item 5.1 to the top of the agenda. The motion passed unanimously.

Mr. Levinson explained the situation with regard to the current Fire Chief and the Ordinance to allow him to join the plan. Members discussed that this ordinance would allow future fire or police chiefs to join the plan. Members debated varying ways to deal with the past service and were concerned that a transfer would negatively impact the plan. Mr. Levinson pointed out that since this plan was non-contributory on the part of the employees, there would be no effect on the current plan and at the end of the Day, the Town would still be required to fund the plan.

At this time a motion was presented by Mr. Phillips and seconded by Mr. Muniz to recommend that the ordinance be sent to the Town Council as presented. The motion passed unanimously.

**2. APPROVAL OF MINUTES**

**2.1 Minutes December 5, 2007**

Members noted some corrections to the minutes and a motion was presented by Mr. Muniz and seconded by Mr. Phillips to approve the minutes as amended. The motion passed unanimously.

**2.2 Minutes February 19, 2008**

Members noted some corrections to the minutes and a motion was presented by Mr. Muniz and seconded by Mr. Phillips to approve the minutes as amended. The motion passed unanimously.

**3 OLD BUSINESS**

**3.1 REVIEW OF OPERATING RULES & PROCEDURES**

Members reviewed section 6, operating rules and procedures. Members discussed Rule 1 and Rule 2 of this section. Members noted some corrections and Mr. Levinson said that his firm would make the noted revisions.

Members next discussed the Travel policy. Members agreed that they would follow the Town's travel policy, except all Trustees would be treated as category one employees.

Members then discussed if they wanted to approve each rule, or wait until the entire policy is reviewed and completed. Members decided to approve each rule as it was reviewed.

A motion was presented by Mr. Muniz and seconded by Mr. Diez to accept the Town's travel policy as the Board's travel policy, subject to the change that all Board members be treated as Category 1 employees. The motion passed unanimously.

**3.1 FMPTF SOCIAL SECURITY POLICY**

Mr. Shamoun outlined the FMPTF Social Security usage policy. This item was informational only and no action was required.

**4 NEW BUSINESS**

**4.1 RATIFY / APPROVAL OF INVOICE PAYMENTS**

Members expressed a need to have more information about the Invoices outlining the invoice. Normal invoices do not need that much back-up, but in a case like travel to a conference, the Board would like more information. Members asked that the travel invoice be brought back to the Board at the next meeting with additional back-up.

A motion was presented by Mr. Muniz and seconded by Mr. Diez to ratify the invoices 2008-105 and 2008-106. The motion passed unanimously.

**5 NEW BUSINESS**

**5.1 ORDINANCE TO ALLOW THE FIRE & POLICE CHIEF TO JOIN THE PLAN**

This item was taken up at the beginning of the meeting

**5.2 LETTER TO TOWN COUNCIL**

Mr. Levinson reviewed the changes that were made. Mr. Levinson noted that the letter has not gone out to the Town Administrator or Town Council. Mr.

Shamoun noted that there needed to be a final cost study done by the actuary and that this would be completed by the end of the week. The letter would go out first thing the next week. Mr. Levinson confirmed this timeline.

**6. ADMINISTRATOR COMMENTS**

No additional Comments at this time

**7. PUBLIC COMMENTS**

No additional comments at this time

**8. NEXT MEETING TIME AND DATE**

The next meeting will be a workshop scheduled for May 1, 2008 at 3:00 p.m.

**6. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 4:21 p.m.

6/20/2011  
Date approved

M. Grace Hall  
Chairperson Hall

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
June 18, 2008 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:01 a.m.

Present at the meeting were, Chairperson Grace Hall, Secretary John Phillips, Mr. Russell Muniz, Vice Chairman. William Ackerman and Mr. Manny Diez. Also present were Adam Levinson, Esquire, Klausner & Kauffman and Paul Shamoun, FMPTF.

**2. NEW BUSINESS**

**2.1 BENEFIT CALCULATION FOR FORMER PLAN MEMBER DAN LUTZKE**

Mr. Levinson explained to the Board members that there was an issue with calculating the retirement benefit for former plan member Dan Lutzke. The administrator was unclear how to calculate the benefit because this participant moved from a general employee to a management employee. Since there are different benefits for each class, the administrator needs the board to give guidance on the proper method to calculate the benefit.

Mr. Levinson informed the Board that one of their duties is to interpret the plan and make decisions when the plan is silent or ambiguous. The Board reviewed the plan language and asked questions about the specific provisions that Mr. Levinson had brought to their attention. Mr. Levinson reviewed how some other plans around the area handle participants who move from one tier to another. Some give all the service back to date of hire at the higher rate and others, like the FRS separate out the service into two pieces.

Mr. Ackerman asked Mr. Levinson; in the examples that he mentioned, did these plans also grant the higher benefits on service that was purchased. Mr. Levinson did not know off the top of his head how that was handled, but did say that this Board has to interpret the plan in front of him, and determine what the plan language means. He also said that this would set a precedent for others that might be in this position.

Members continued to discuss the language that was in the plan and proposed language that might be submitted to the Town Council to amend the document. It was decided that the Board should have a special meeting to discuss this in detail and develop an ordinance to send to the Town Council.

Mr. Muniz asked Mr. Shamoun for his opinion as to what the intent of the plan was when the plan was created. Mr. Shamoun said that he was involved in the crafting of the plan and that the plan was not designed to give the higher multiplier for all years of service. Mr. Shamoun said that regardless of the intent, the Board needed to decide the meaning of the current language and that he agreed with what Mr. Levinson said and he encouraged the Board to follow Mr. Levinson's recommendation.

Mr. Levinson reviewed the Board's duties and how they should proceed in making the decision. The job of the Board is to administer the plan. First, they should look at the plan and determine if the language is clear. If the language is clear, then you are done. If the language is not clear and is ambiguous, then you look to other things to help in the decision. Mr. Levinson pointed out that he can not make this decision for you, his role is to advise and inform so the Board can make the best decision it can.

A motion was presented by Mr. Diez and seconded by Mr. Muniz that the Board of trustees is interpreting the language in Section G2 as clear and not ambiguous. Meaning that the retirement benefit of 3% time years of credited service times average final compensation is for all years of service with the city. Chairperson Hall called for a voice vote:

Chairperson Hall	No
Russell Muniz	Yes
Bill Ackerman	No
John Phillips	Yes
Manny Diez	Yes

The next meeting will be a workshop scheduled for July 23, 2008 at 10:00 a.m.

3. **ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:24 p.m.

6/20/2011  
Date approved

M. Grace Hall  
Chairperson/Hall

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
September 5, 2008 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:08 a.m.

Present at the meeting were, Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Mr. Russell Muniz and Mr. Manny Diez. Also present were Stewart Kaufman, Esquire, Klausner & Kaufman and Paul Shamoun, FMPTF.

At this time Mr. George, retired plan member asked to speak to the board. He expressed concern over how his retirement calculation was done. Mr. George did not understand why his salary amount did not include the entire severance package. Mr. Shamoun explained to Mr. George that the IRS under section 401(a) (17) limits the amount of compensation that can be used to calculate the retirement benefit. Because Mr. George's employment was severed November 30<sup>th</sup>, he is only able to use the maximum compensation allowed under the law which is 2/12ths of \$225,000. Mr. Shamoun offered to have the actuary put together information or at minimum have the actuary call Mr. George to explain the calculation.

**A motion was presented by Mr. Muniz and seconded by Mr. Diez to have the actuary write an explanation to Mr. George the details of how the calculation was done.**

**The motion carried unanimously.**

**2. NEW BUSINESS**

**2.1 MINUTES MAY 22, 2008**

Members reviewed the minutes and informed the administrator of several corrections.

**A motion was presented by Mr. Muniz and seconded by Mr. Ackerman to accept the minutes as amended. - The motion carried unanimously.**

**2.2 MINUTES JUNE 18, 2008**

Members reviewed the minutes.

**A motion was presented by Mr. Muniz and seconded by Mr. Ackerman to accept the minutes as presented. - The motion carried unanimously.**

**2.3 MINUTES JULY 23, 2008**

Members reviewed the minutes and informed the administrator of several corrections.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES

September 5, 2008

Page 2

**A motion was presented by Mr. Muniz and seconded by Mr. Diez to accept the minutes as amended. - The motion carried unanimously.**

**2.4 REQUEST TO JOIN THE PLAN – MS. DONNA SCHELL**

Ms. Donna Schell was not available for the meeting to discuss her request to enter the plan.

**A motion was presented by Mr. Muniz and seconded by Mr. Ackerman to table this item until the next meeting. - The motion carried unanimously.**

**2.5 QUARTERLY INVESTMENT RETURNS**

Mr. Shamoun reviewed the investment returns through June 30, 2008. For the calendar year, the fund lost 5.77% and on a one year basis the fund was down 4.02%. With the exception of the large cap value portfolio, all the portfolios the fund is invested in are ahead of their benchmarks for the calendar year.

**2.6 DRAFT ORDINANCE AMENDING PLAN**

Members reviewed the sample language amending section E3 of the adoption agreement. This language will clarify how the retirement benefit is calculated for plan members that are promoted from a general employee position to a management position under the plan.

**A motion was presented by Mr. Muniz and seconded by Mr. Ackerman to recommend that the Town Council amend the plan using the proposed language. - The motion carried unanimously.**

**2.7 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoices that had previously been approved for payment by Chairperson Hall.

**A motion was presented by Mr. Muniz and seconded by Mr. Ackerman to ratify all invoices payments approved by Chairperson Hall. - The motion carried unanimously.**

**3. PLAN ATTORNEY COMMENTS**

**4. PLAN ADMINISTRATOR COMMENTS**

**5. NEXT MEETING DATE**

**6. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:13 a.m.

6/20/2011  
Date approved

M. Grace Hall  
Chairperson Hall

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
DECEMBER 16, 2008 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:06 a.m. and was held in the Town of Davie Community Room.

Present at the meeting were, Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Russell Muniz and Trustee Manny Diez (entered at 10:11 a.m). Also present were Stu Kaufman, Esquire, Klausner & Kaufman and Paul Shamoun, FMPTF.

**2. APPROVAL OF MINUTES**

**2.1 Minutes September 5, 2008**

Members noted some corrections to the minutes and a motion was presented by Mr. Muniz and seconded by Mr. Ackerman to approve the minutes as amended. The motion passed unanimously.

**2.2 Change in Town Benefit Policy**

Members received an update on changes to the benefits offered to Town employees by the Human Resources Director, Barbara Dupré.

Members discussed lowering the actuarial valuation investment assumption. Mr. Shamoun suggested that the Board might want to consider looking at the impacts of lowering the assumption on the contribution rate of the plan. A motion was presented by Mr. Ackerman and seconded by Mr. Muniz to have the actuary produce valuation results that include lowering the interest rate assumption. The motion passed unanimously.

A motion was presented by Mr. Muniz and seconded by Mr. Ackerman to have the plan attorney draft language on what is included in Pensionable Compensation. The motion passed unanimously.

**2.3 Change in Town Take Home Vehicle Policy**

Members received an update on a change to the Town's take home vehicle policy.

**2.4 Ratification of Invoices**

Members reviewed the invoices that have been paid since the last meeting and a motion was presented by Mr. Muniz and seconded by Mr. Ackerman to ratify the invoice payments as presented. The motion passed unanimously.



Note: Trustee Diez temporarily left the meeting.

**2.5 Ratification of Retirements**

Members reviewed the retirement applications that have been processed since the last meeting and a motion was presented by Mr. Ackerman and seconded by Ms. Hall to ratify the retirement applications as presented. The motion passed unanimously.

**3. OLD BUSINESS**

**3.1 Request to join the plan – Ms. Donna Schell**

Members reviewed the previously tabled item. Members discussed the request and it was noted that Ms. Schell was not present at the meeting. Members discussed the types of options that were available.

A motion was presented by Mr. Phillips and seconded by Ms. Hall to table the item to the next meeting. In a voice vote, Trustees Hall and Phillips voted yes, Trustees Ackerman and Muniz voted no. The motion failed.

A motion was presented by Mr. Muniz and seconded by Mr. Ackerman to deny the request. After additional discussion, the motion passed 3-1 with Trustee Hall dissenting.

**3.2 Review of Procedure Manual**

Members were handed an updated procedure manual by the plan attorney for their review. After discussing the proposed rules manual, members noted changes to section 2-2. A motion was presented by Mr. Muniz and seconded by Mr. Ackerman to adopt the proposed rules subject to the change in section 2-2 noted. The motion passed unanimously.

**4. NEW BUSINESS**

**4.1 New Retirement Age Rules**

The plan attorney reviewed proposed IRS regulations regarding Normal Retirement Age.

**5. ADMINISTRATOR COMMENTS**

There were no additional comments.

**6. NEXT MEETING TIME AND DATE**

Members discussed the need to set the meeting schedule for the next year. Members decide to hold the Board meetings on the following dates: February 26, May 28, August

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
DECEMBER 16, 2008

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27 and December 3, 2009. All meetings will be at 10:00 a.m. in the Town Council Chamber.

7. **ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:33 a.m.

6/20/2011  
Date approved

M. Gaer Hall  
Chairperson Hall

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
February 26, 2009 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:09 a.m.

Present at the meeting were, Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Russell Muniz and Trustee. Manny Diez. Also present were Stewart Kaufman, Esquire, Klausner & Kaufman and Paul Shamoun, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES DECEMBER 16, 2008**

Members reviewed the minutes and informed the administrator of several corrections.

**A motion was presented by Trustee Muniz and seconded by Trustee Phillips to accept the minutes as amended. - The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS**

Mr. Shamoun reviewed the investment returns through December 31, 2008. For the quarter, the fund lost 9.58% and on a one year basis the fund was down 20.31%. Although the losses are substantial, the fund has outperformed the benchmark by 2%.

**2.3 REVIEW OF VALUATION RESULT ALTERNATIVES**

Members reviewed the chart prepared by the plan actuary, Southern Actuarial Services. Members discussed the alternatives presented.

**A motion was presented by Trustee Ackerman and seconded by Trustee Diez to have the actuarial valuation prepared using 5 year smoothing as well as updating the mortality table to the RP-2000 table. The interest rate assumption will be decreased from 8% to 7.75%. - The motion carried unanimously.**

**2.4 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoices that had previously been approved for payment the Chairperson Hall.

**A motion was presented by Trustee Muniz and seconded by Trustee Phillips to ratify all invoices payments approved by Chairperson Hall. - The motion carried unanimously.**

**2.4 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the retirement application for Susan Dean that had previously been approved for payment.

**A motion was presented by Trustee Muniz and seconded by Trustee Ackerman to ratify the retirement payment for Susan Dean previously approved. - The motion carried unanimously.**

**3. NEW BUSINESS**

Members discussed the DROP entry provisions and noted that the entry period needs to be more flexible to allow members to have more time to make the decision to enter DROP. Additionally, members discussed allowing new members of the plan to have 5 years to make a decision to purchase past service, instead of the 3 months currently in the plan.

**A motion was presented by Trustee Phillips and seconded by Trustee Diez to instruct the plan attorney to draft an ordinance to amend the plan to allow for the following; allow new members 5 years from date of hire to purchase past service and to extend the period from 3 months to 5 years to enter DROP after reaching normal retirement. - The motion carried 4-1 with trustee Ackerman dissenting.**

**3. PLAN ATTORNEY COMMENTS**

**4. PLAN ADMINISTRATOR COMMENTS**

**5. NEXT MEETING DATE – May 28, 2009**

**6. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:54 a.m.

6/20/2011  
Date approved

M. Grace Hall  
Chairperson Hall

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
June 25, 2009 at 1:30 P.M.**

**1. ROLL CALL**

The meeting was called to order at 1:40 p.m.

Present at the meeting were, Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Russell Muniz and Trustee Manny Diez. Also present were Adam Levinson, Esquire, Klausner & Kaufman and Paul Shamoun, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES FEBRUARY 26, 2009**

Members reviewed the minutes.

**A motion was presented by Trustee Muniz and seconded by Trustee Ackerman to accept the minutes. - The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS**

Mr. Shamoun reviewed the investment returns through March 31, 2009. For the quarter, the fund lost 5.3% and on a one year basis the fund was down 21.5%. Although the losses are substantial, the fund has outperformed the benchmark by 2.75% and ranked in the 2<sup>nd</sup> percentile of pension funds in the ACG universe of funds.

**2.3 REVIEW OF LETTER FROM THE DIVISION OF RETIREMENT**

Members reviewed the letter sent to the Chairperson regarding the state acceptance of the valuation. While there were some things noted, all the items referred to changes the division would like made to the next report.

**2.4 PAST SERVICE PURCHASE**

**2.4.1 – Dana Phillips**

The administrator had discovered that the past service purchase for plan member Dana Phillips was done incorrectly. Ms. Phillips purchased more time than allowed at the plan inception and needs to receive a refund of her over contribution. The administrator is seeking direction from the Board as to the amount, if any, of interest to apply to her account. Members reviewed the plan document and discussed if an interest rate should apply and what amount. Trustee Phillips asked the plan attorney about abstaining from the vote due to a clear conflict of interest. Mr. Levinson reviewed the criteria for abstaining and said that clearly this type of action would be a conflict of interest.

**A motion was presented by Trustee Muniz and seconded by Trustee Ackerman to refund Mrs. Phillips the amount of the over contribution**

**with interest at a rate of 6%, which is equal to the amount applied to the return of employee contributions for members who terminate prior to vesting. - The motion carried unanimously, with Trustee Phillips abstaining.**

**2.4.1 – Sam Gulla**

Members discussed the request by plan participant Sam Gulla. Mr. Gulla is requesting to purchase 5 years of service with another governmental employer allowed under the plan. The time Mr. Gulla wishes to purchase was time spent in the FRS DROP program. Mr. Gulla has terminated service with the other employer and a calculation of the past service purchase cost has been prepared.

**A motion was presented by Trustee Diez and seconded by Trustee Phillips to allow Mr. Gulla to purchase up to 5 years of past service in the plan subject to the approval of the plan attorney. The motion carried unanimously.**

**2.5 TERM-VESTED PARTICIPANT – STEVE EGGNATZ**

Members reviewed the retirement calculation for Steve Eggnatz.

**2.6 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoices that had been received by the plan and reviewed requisitions approved by the Chairperson for payment. Trustee noticed invoice 2009-116, from the FMPTF to revise the benefit statements. Trustee Ackerman felt that this invoice was not proper and asked Mr. Shamoun if it could be removed. Mr. Shamoun agreed to have the invoice voided.

**A motion was presented by Trustee Muniz and seconded by Trustee Diez to ratify all invoices and payments approved by Chairperson Hall, with the exception of invoice 2009-116. - The motion carried unanimously.**

**2.4 RATIFICATION OF INVOICE PAYMENTS**

There were no new retirement applications for this meeting.

**3. OLD BUSINESS**

Members discussed the definition of pensionable earnings and what was included given the new “Choice Dollars” benefit system adopted by the Town. Members asked for this to be added to the agenda for discussion at the next meeting. Trustee Muniz asked the attorney to prepare a definitive opinion on how “Pensionable Earnings” is defined. Additionally, he asked that the memo cover take home vehicles.

Members were informed of the next FPPTA conference.

**A motion was presented by Trustee Muniz and seconded by Trustee Ackerman to ask the plan attorney to resend a letter to the Town**

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES

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**Administrator asking for codification of the plan. - The motion carried  
unanimously.**

3. **PLAN ATTORNEY COMMENTS**
4. **PLAN ADMINISTRATOR COMMENTS**
5. **NEXT MEETING DATE – August 27, 2009**
6. **ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned.

6/30/2011  
Date approved

M. Grace Hall  
Chairperson Hall

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
August 27, 2009 at 9:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 9:00 a.m.

Present at the meeting were, Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Russell Muniz and Trustee Manny Diez. Also present were Stu Kaufman, Esquire, Klausner & Kaufman and Paul Shamoun, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES June 25, 2009**

Members reviewed the minutes.

**A motion was presented by Trustee Ackerman and seconded by Trustee Diez to accept the minutes.**

**The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS**

Mr. Shamoun reviewed the investment returns through June 30, 2009. For the quarter, the fund earned 8.8% and on a one year basis the fund was down 12.93%. Although the losses are substantial, the fund has outperformed the benchmark and ranked in the 3<sup>rd</sup> percentile of pension funds in the ACG universe.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoices that had been received by the plan and reviewed requisitions that were approved by the Chairperson for payment.

**A motion was presented by Trustee Ackerman and seconded by Trustee Diez to ratify all invoices and payments approved by Chairperson Hall.**

**The motion carried unanimously.**

**3. OLD BUSINESS**

**4. PLAN ATTORNEY COMMENTS**

**4.1 DEFINITION OF "PENSIONABLE EARNINGS"**

Members discussed the definition of pensionable earnings and what was included given the new "Choice Dollars" benefit system adopted by the Town. Mr. Levinson prepared a memo dated August 27, 2009 to the Chair outlining the issues related to "Choice Dollars" and how they related to the plan definition of "Pensionable Earnings".



MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
Page 2

**A motion was presented by Trustee Ackerman and seconded by Trustee Diez to ask the plan attorney to draft an administrative rule on "Choice Dollars".**

**The motion carried unanimously.**

**4.2 CODIFICATION OF THE PLAN**

Mr. Levinson presented the members with a memo dated June 26, 2009 addressed to the Town Administrator. The memo asked the Town Administrator to consider the codification of the plan document in the code of ordinances and included a copy of the letter sent to the Town Attorney in March 2006. Trustee Ackerman agreed that he would talk to the Town Administrator and report back to the Board at the next meeting.

**5. PLAN ADMINISTRATOR COMMENTS**

**6. NEXT MEETING DATE – December 3, 2009 at 10:00 a.m.**

**7. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:00 a.m..

6/20/2011  
Date approved

M. Grace Hall  
Chairperson Hall

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
6591 Orange Drive  
September 8, 2010 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:04 a.m.

Present at the meeting were, Chairperson Grace Hall, Vice Chairman William Ackerman, Trustee Manny Diez, and Secretary John Phillips. Trustee Russell Muniz was not present. Also present were Stuart Kaufman, Esquire, Klausner & Kaufman, and Dustin Heintz, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES JUNE 7, 2010**

Members reviewed the minutes from the June 7, 2010 meeting and further discussed the definition of full time employee as listed in the codification of the plan.

**A motion was presented by Trustee Phillips and seconded by Trustee Ackerman to accept the minutes as amended.  
The motion carried unanimously.**

**2.2 SWEARING IN OF NEW MEMBERS**

**A motion to table this item until the next meeting was presented by Trustee Diez and seconded by Trustee Ackerman**

**2.3 QUARTERLY INVESTMENT RETURNS**

Mr. Heintz reviewed the investment returns through June 30, 2010. For the quarter, the fund was down -5.72% and on a one year basis the fund was up 10.81%. Mr. Heintz answered questions from the members and also informed the Trustees that the International Blend Portfolio will be reviewed for a possible replacement of the investment manager. The Trustees also requested that an investment manager attend the next meeting to present information regarding the investment portfolios.

**2.4 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Ackerman and seconded by Trustee Diez to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.5 RETIREMENTS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Secretary Phillips and seconded by Trustee Ackerman to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.6 HEALTH BENEFITS TO RETIREES AS A LUMP SUM**

Members reviewed the "choice dollars" medical benefits to retirees to revisit the issue of whether the monetary amount paid as a supplementary medical benefit should be considered as pensionable compensation. Mr. Kaufman presented an opinion letter from his firm previously issued to suggest that these benefits are not pensionable compensation. Mr. Kaufman also recommended that this issue be clarified in the codification of the plan to not include these benefits as pensionable compensation.

## **2.7 DISCUSSION ON ELECTION OF BOARD MEMBERS**

Members requested to table this item until the next meeting.

# **3. OLD BUSINESS**

## **3.1 FORMER TOWN ADMINISTRATOR CHRIS KOVANES**

Mr. Kaufman reported that Mr. Kovanes has the right to request a hearing to appeal his request of a refund of his employee contributions in an amount exceeding \$29,000. It was previously determined that some of the amount was employee contributions but that a significant portion was town contributions in the original 401 defined contribution plan previous to the roll-over to the new plan, and thus subject to forfeiture.

**A motion was presented by Trustee Ackerman to provide Mr. Kovanes a hearing on December 6, 2010 at 9:00 AM, with a notice that his employee contributions will be returned less the town contribution amount without a hearing if he chooses to waive his rights to a hearing. The motion was seconded by Secretary Phillips and passed unanimously.**

**3.2 CODIFICATION OF THE PLAN**

Mr. Kaufman provided that his firm is ready to move forward to codify the plan document into the Town of Davie Code of Ordinances with the amendments as discussed during the meeting. Additional comments will be accepted from the Trustees until October 1, 2010.

**4. PLAN ATTORNEY COMMENTS**

Mr. Kaufman gave a brief overview of some current Florida pension issues. After a discussion of other Florida pension issues, Trustee Diez requested that the Board of Trustees consider holding workshops to provide plan members a chance to discuss the current plan provisions and any recommended changes to the plan. It was determined that the Administrator would provide the Trustees with a copy of the letter presented to the Town Council on April 7, 2008 for further discussion at the next meeting.

**5. PLAN ADMINISTRATOR COMMENTS**

There were no further comments from the plan administrator.

**6. NEXT MEETING DATE – December 6, 2010 at 10:00 a.m.**

**7. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn, seconded and passed unanimously at 11:49 a.m.

6/20/2011  
Date approved

M. Grace Hall  
Chairperson Hall

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
Location: Council Chambers  
6591 Orange Drive  
December 6, 2010 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:08 a.m.

Present at the meeting were, Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Manny Diez, and Trustee Russell Muniz. Also present were Adam Levinson, Klausner & Kaufman, and Dustin Heintz, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES SEPTEMBER 8, 2010**

Members reviewed the minutes from the September 8, 2010 meeting and there was no discussion.

**A motion was presented by Trustee Muniz and seconded by Vice Chair Ackerman to accept the minutes as presented. The motion carried unanimously.**

**2.2 DISCUSSION ON ELECTION OF BOARD MEMBERS**

Members need to select a new Chairperson, Vice Chairperson, and Secretary.

**A motion was presented by Secretary Phillips and seconded by Trustee Muniz to elect Grace Hall as Chairperson. The motion carried unanimously.**

**A motion was presented by Chairperson Hall to nominate William Ackerman as the new Vice Chairperson and seconded by Trustee Muniz. The motion carried unanimously.**

**A motion was presented by Trustee Muniz to elect John Phillips as Secretary and seconded by Chairperson Hall. The motion carried unanimously.**

The Trustees discussed the terms for election of Chairperson, Vice Chairperson and Secretary. The Trustees agreed to discuss these changes at a future workshop meeting on the final amendments to codify the plan.

**2.3 SWEARING IN OF NEW MEMBERS**

The newly elected members were sworn in as Trustees by Adam Levinson.

**2.4 QUARTERLY INVESTMENT RETURNS SEPTEMBER 30, 2010**

Mr. Heintz reviewed the investment returns through September 30, 2010. For the quarter, the fund was up 8.11% and on a one year basis the fund was up 8.96%. He introduced Mary McTague from Atlanta Capital Management.

**2.4.1 ATLANTA CAPITAL MANAGEMENT PRESENTATION**

Ms. McTague provided the Trustees information about Atlanta Capital Management (ACM) and their investment philosophies and processes. Ms. McTague provided holding and return information specifically about the Broad Market Bond Fund, High Quality Growth Portfolio and Small to Mid Cap Equity Portfolio, all managed by ACM.

**2.5 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Phillips to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.6 RETIREMENTS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Secretary Phillips and seconded by Trustee Muniz to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

**2.7 POMPILIO REFUND REQUEST**

Mr. John Pompilio, a participant in the plan, purchased six additional credited years of service as of May 1, 2010 for an amount of \$82,613. Mr. Pompilio asked the Trustees to consider his request to refund this amount and remove the six years of purchased credited service. Mr. Levinson provided information that the current plan document language does not provide any detail on such a request, specifically that the plan does not allow for a return of funds for purchased service. The Trustees discussed whether the amount has increased or decreased with the investment returns, as well as what administrative expenses might be to return these funds. A motion was made to return these funds less administrative expenses and set guidelines for future considerations. The motion was seconded

provided that the legal counsel determines that the motion is legal. There was a discussion that the motion would need to be reviewed outside of the meeting before the motion is voted on.

**The motion as discussed was presented by Vice Chairperson Ackerman and seconded by Secretary Phillips. The motion is voted on and failed 0-5.**

A new motion was made to proceed with refunding Mr. Pompilio's purchase amount assuming that the attorney agreeing that it is legal, as well as being subject to an actuary saying that there will be no impact to the plan. The motion is also subject to Mr. Pompilio assuming all costs of the actuary. The motion was authorized to go forward, subject to all of conditions met.

**The motion as discussed was presented by Trustee Muniz and seconded by Vice Chairman Ackerman. The motion was voted on and carried unanimously.**

## **2.8 PROPOSED PLAN AMENDMENT TO INCLUDE ELECTED OFFICIALS**

### **2.8.1 PROPOSED ORDINANCE**

Mr. Levinson provided the Trustees with an overview of the proposed ordinance to amend the plan to include elected officials. The amendment also revises the classification of a full time employee as well as elected officials vesting period.

**A motion was presented by Secretary Phillips and seconded by Trustee Ackerman to recommend approval of the proposed ordinance by the Town Council. The motion carried unanimously.**

### **2.8.2 IMPACT STATEMENT**

A copy of the impact statement was given to the Trustees to review.

## **2.9 FMPTF DEFINED BENEFIT PLAN DOCUMENT REDLINE VERSION**

The FMPTF defined benefit plan document redline version was discussed by the Trustees. Mr. Heintz and Mr. Levinson agreed to provide detailed differences outlining the differences between the currently used plan document and the updated FMPTF plan document. It was recommended that the Trustees have a workshop to discuss all potential changes to the plan document in January 2011.

## **3. OLD BUSINESS**

### **3.1 FORMER TOWN ADMINISTRATOR CHRIS KOVANES**

Mr. Levinson reviewed the written request for a reimbursement of Mr. Kovanes contributions. The Board previously agreed to pay back the money that was paid into the plan in terms of employee contributions as required. Trustee Ackerman asked about the Town being reimbursed for an insurance deductible paid because of his actions.

**A motion was made to authorize payment subject to any directions from the law firm with regard to possible offsets. It was moved by Trustee Diez and seconded by Secretary Phillips and passed unanimously.**

### **3.2 CODIFICATION OF THE PLAN**

Members discussed holding a workshop to finalize the codification of the plan scheduled for January 2011. Codification of the plan will incorporate the previous master plan agreement with all subsequent amendments, along with other potential updates necessary to create a complete updated codified master plan agreement. Vice Chair Ackerman acknowledged that the Town has agreed to provide funding for final codification of the plan.

### **4. PLAN ATTORNEY COMMENTS**

There were no further comments from the plan attorney.

### **5. PLAN ADMINISTRATOR COMMENTS**

There were no further comments from the plan administrator.

### **6. NEXT MEETING DATE – March 1, 2010 at 10:00 a.m.**

The meetings are scheduled for the first Tuesday of the month in March, June, September, and December.

### **7. TRUSTEE COMMENTS**

Trustee Ackerman asked the Board to consider changing plan documents to reflect the actuarial equivalent for beneficiaries receiving death benefits from the plan. Trustees agreed to discuss this change at the planned workshop.

### **8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn by Trustee Diez, seconded by Vice Chair Ackerman and passed unanimously at 12:17 p.m.

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**Date approved**

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**Chairperson Hall**



**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
Location: Council Chambers  
6591 Orange Drive  
March 1, 2011 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:08 a.m.

Present at the meeting were, Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips and Trustee Russell Muniz. Trustee Manny Diez was absent and has notified the Board of his resignation. Also present were Adam Levinson, Klausner & Kaufman, Chuck Carr, Southern Actuarial Services, and Dustin Heintz, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES DECEMBER 6, 2010**

Members reviewed the minutes from the December 6, 2010 meeting. Revisions to the proposed minutes were submitted.

**A motion was presented by Trustee Muniz and seconded by Vice Chair Ackerman to table approval of the revised the minutes until the next meeting. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS DECEMBER 31, 2010**

Mr. Heintz reviewed the investment returns through December 31, 2010. For the quarter, the fund was 5.90% and on a one year basis the fund was up 12.07%.

**2.3 OCTOBER 1, 2010 ACTUARIAL VALUATION**

Mr. Carr presented the October 1, 2010 actuarial valuation to the Members.

**2.4 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Secretary Phillips and seconded by Vice Chair Ackerman to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.5 RETIREMENTS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting. Members discussed the death benefit calculation approved as currently written in the current plan document and Mr. Carr suggested adding language to make it the actuarial equivalent of the benefit. Mr. Levinson also asked Mr. Carr to provide comment on a current participant receiving a benefit being rehired at a different position. Mr. Carr suggested that due to the plan structure it would be advisable to treat them as two separate benefits, but not require re-vesting for the second position. Chairperson Hall and Trustee Muniz both agree that the participant should need to re-vest for the second benefit. Members agreed to discuss vesting issues in more detail during the plan codification workshop.

**A motion was presented by Trustee Muniz and seconded by Vice Chair Ackerman to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.6 PENSIONABLE INCOME – POLICE DETAIL**

Vice Chair Ackerman clarified whether to classify police detail special detail pay as pensionable benefits. The Board agrees that this special detail pay is considered part of total cash remuneration under current administrative rules and should be considered pensionable benefits.

## **3. OLD BUSINESS**

### **3.1 FORMER TOWN ADMINISTRATOR CHRIS KOVANES**

The Board previously agreed to pay back Mr. Kovanes the money that was paid into the plan in terms of employee contributions as required. Mr. Levinson notified the Board that his firm has received a power of attorney from Mr. Kovanes for his mother and also notified the Members that the plan will not pay third parties and that all payments must go to the participant. Mr. Levinson agreed to continue researching the responsibilities of notifying the parties involved regarding restitution requirements.

### **3.2 POMPILIO REFUND REQUEST**

Mr. Pompilio was notified that refunding his purchase of past service would create a taxable event and has withdrawn his request.

### **3.3 PLAN WORKSHOP AND CODIFICATION OF THE PLAN**

There was no discussion of the codification of the plan since the workshop will immediately follow the meeting.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES

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**4. PLAN ATTORNEY COMMENTS**

The attorney provided an update of the pending legislative session.

**5. PLAN ADMINISTRATOR COMMENTS**

The plan administrator provided an update of current security issues that have been raised with other pension administrators.

**6. NEXT MEETING DATE – June 7, 2011 at 10:00 a.m.**

The meetings will be held first Tuesday of the month in March, June, September, and December.

**7. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn by Trustee Muniz, seconded by Vice Chair Ackerman and passed unanimously at 11:53 p.m.

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**Date approved**

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**Chairperson Hall**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
Location: FIRE DEPARTMENT ADMINISTRATION BUILDING  
6901 Orange Drive  
June 7, 2011 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:10 a.m.

Present at the meeting were, Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Rod Ley and Trustee Russell Muniz. Also present were Adam Levinson, Klausner & Kaufman, Jeremy Button, FMPTF, and Dustin Heintz, FMPTF.

**2. NEW TRUSTEE LEY**

New Trustee Ley was sworn in and welcomed to the Board of Trustees.

**3. NEW BUSINESS**

**3.1 MINUTES December 6, 2010**

Members reviewed the revised minutes from the December 6, 2010 meeting.

**A motion was presented by Trustee Muniz and seconded by Vice Chair Ackerman to approve the revised the minutes. The motion carried unanimously.**

**3.2 MINUTES December 6, 2010 and March 1, 2011**

Members reviewed the minutes from the March 1, 2011 meeting.

**A motion was presented by Trustee Muniz and seconded by Vice Chair Ackerman to approve of the minutes as presented. The motion carried unanimously.**

**3.3 QUARTERLY INVESTMENT RETURNS MARCH 31, 2011**

Mr. Heintz reviewed the investment returns through March 31, 2011. For the quarter, the fund was 3.57% and on a one year basis the fund was up 11.80%.

**3.4 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Muniz to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

### **3.5 RETIREMENTS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Muniz and seconded by Vice Chair Ackerman to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

### **3.6 LEGISLATIVE UPDATE – CS/CS/SB1128**

Mr. Heintz and Mr. Levinson provided the Board a review of recently passed legislation SB1128. The primary change affecting the plan is language which excludes payments for accrued unused sick or annual leave in calculating retirement benefits. Members discussed how the plan should implement these changes and expressed concern that the three pension plans in the Town could potentially all interpret these changes differently. Members agreed to address this issue in more detail at a special meeting.

**A motion was presented by Secretary Phillips and seconded by Trustee Muniz to record all accrued sick and annual leave data, both hours and dollar value, as of June 30, 2011 for all plan employees for use in calculating future retirement benefits. The motion carried unanimously.**

**A motion was presented by Secretary Phillips and seconded by Vice Chair Ackerman that retirement benefits calculated after June 30, 2011 will not be diminished or impaired by future interpretations of these changes. The motion carried unanimously.**

## **4. OLD BUSINESS**

### **4.1 FORMER TOWN ADMINISTRATOR CHRIS KOVANES**

The Board previously agreed to pay back Mr. Kovanes the money that was paid into the plan in terms of employee contributions as required. Mr. Levinson notified the Board that his firm has received a power of attorney from Mr. Kovanes for his mother and also notified the Members that the plan will not pay third parties and that all payments must go to the participant. Mr. Levinson provided members with a copy of the uncontested final order that will be filed to resolve the matter.

### **4.2 PLAN WORKSHOP AND CODIFICATION OF THE PLAN**

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BOARD OF TRUSTEES MINUTES

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There was no discussion of the codification of the plan. It was agreed that sections two through five would be discussed at the special meeting. It was also discussed that the attorney would also help coordinate language between the Town's three pension plans.

**A motion was presented by Trustee Muniz and seconded by Vice Chair Ackerman that the attorney create an administrative rule clarifying the definition of full time employee as previously discussed and also updating benefit calculations to be based on actuarial equivalence for beneficiaries. The motion carried unanimously.**

**5. PLAN ATTORNEY COMMENTS**

There was no additional attorney comment.

**6. PLAN ADMINISTRATOR COMMENTS**

There was no additional administrator comment.

**7. NEXT MEETING DATE – September 12, 2011 at 2:00 p.m.**

The meetings will be held first Tuesday of the month in March, June, September, and December. The September meeting has been moved to accommodate for Labor Day weekend.

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 12:17 p.m.

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**Date approved**

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**Chairperson Hall**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
Location: FIRE DEPARTMENT ADMINISTRATION BUILDING  
6901 Orange Drive  
September 12, 2011 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:02 p.m.

Present at the meeting were Vice Chairman William Ackerman, Secretary John Phillips, and Trustee Rod Ley. Chairperson Grace Hall and Trustee Russell Muniz were not present. Also present were Adam Levinson, Klausner & Kaufman, and Dustin Heintz, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES June 7, 2011**

Members reviewed the revised minutes from the June 7, 2011 meeting.

**A motion was presented by Trustee Phillips and seconded by Trustee Ley to approve the minutes as presented. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS JUNE 30, 2011**

Mr. Heintz reviewed the investment returns through June 30, 2011. For the quarter, the fund was 0.99% and on a one year basis the fund was up 19.76%.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Ley and seconded by Trustee Phillips to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Phillips and seconded by Trustee Ley to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.5 QDRO REQUEST**

Mr. Heintz notified the Board that there has been a request for a QDRO from a plan member. The administrator and attorney provided a document allowing for distribution to a joint trust account for the member which would be responsible for paying both parties, similar to previous QDRO requests for plan members.

## **3. OLD BUSINESS**

### **3.1 FORMER TOWN ADMINISTRATOR CHRIS KOVANES**

The Board previously agreed to pay back Mr. Kovanes the money that was paid into the plan in terms of employee contributions as required. Mr. Levinson notified the Board that his firm has received a power of attorney from Mr. Kovanes for his mother and also notified the Members that the plan will not pay third parties and that all payments must go to the participant. Mr. Levinson provided members with a copy of the uncontested final order that will be filed to resolve the matter. The attorney informed the Board that he would get Chairman Hall to sign the uncontested final order and get the funds distributed before the end of the plan fiscal year.

### **3.2 PLAN WORKSHOP AND CODIFICATION OF THE PLAN**

There was no discussion of the codification of the plan. It was agreed that sections two through five would be discussed at the special meeting potential scheduled for October 24<sup>th</sup> or 31<sup>st</sup> at 2:00pm. It was also discussed that the attorney would also help coordinate language between the Town's three pension plans.

#### **3.2.1 DISCUSSION OF SB1128**

The attorney provided the Board with a memo outlining the language of SB 1128 which limits pensionable earning to not include overtime hours in excess of 300 hours and also will not allow future payments for accumulate leave or sick time to be included in pensionable earnings. The attorney presented the Board with example language from another pension plan which specifically defines the value of accumulated leave or sick time as of June 30, 2011 and how it would be considered as pensionable earnings.

## **4. PLAN ATTORNEY COMMENTS**

The attorney provided the Board with two proposed administrative rules which were discussed at the previous meeting. The first proposed administrative rule clarifies that



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BOARD OF TRUSTEES MINUTES

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death benefits paid will be based on actuarial equivalent value. The second proposed administrative rule defines full time employee based on the Town's definition of full time employee. There was discussion about how the Town defines full time and part time employment, and it was clarified that in the HR policy under "Hours of Work" the Town defines full time employees as those working more than 35 hours a week. It was noted by Vice Chair Ackerman that both of these items have been discussed in previous Board meetings and have had full support of all Board members in those meetings as well.

**A motion was presented by Trustee Phillips and seconded by Trustee Ley to approve the administrative rule regarding actuarial equivalent death benefits. The motion carried unanimously.**

**A motion was presented by Trustee Phillips and seconded by Trustee Ley to approve the administrative rule regarding definition of full time employee. The motion carried unanimously.**

**5. PLAN ADMINISTRATOR COMMENTS**

Mr. Heintz notified the Board that meeting administrative fees from FMPTF would be increased to \$750 per meeting.

There was a request to provide members with a condensed version of the plan documents. It was noted that the plan provides a Summary Plan Document which is available on the Town's website.

**6. NEXT MEETING DATE – December 5, 2011 at 2:00 p.m.**

The 2012 meetings will be held first Monday of the month in March, June, and December and the second Monday of the month in September.

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 3:25 p.m.

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**Date approved**

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**Chairperson Hall**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
Location: FIRE DEPARTMENT ADMINISTRATION BUILDING  
6901 Orange Drive  
December 5, 2011 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:05 p.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Russell Muniz, and Trustee Rod Ley. Also present were Adam Levinson, Klausner & Kaufman, and Dustin Heintz, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES September 12, 2011**

Members reviewed the revised minutes from the September 12, 2011 meeting.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Ley to approve the minutes as presented. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS September 30, 2011**

Mr. Heintz reviewed the structure of the asset allocations and the investment returns through September 30, 2011. For the quarter, the fund was down -8.63% and on a one year basis the fund was up 1.21%.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Muniz to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Phillips and seconded by Trustee Muniz to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

### **3. OLD BUSINESS**

#### **3.1 FORMER TOWN ADMINISTRATOR CHRIS KOVANES**

The Board previously agreed to pay back Mr. Kovanes the money that was paid into the plan in terms of employee contributions as required. Mr. Levinson notified the Board that his firm has received a power of attorney from Mr. Kovanes for his mother and also notified the Members that the plan will not pay third parties and that all payments must go to the participant. At the previous meeting, Mr. Levinson provided members with a copy of the uncontested final order that will be filed to resolve the matter which will be effective once Chairperson Hall, Secretary Phillips, and Mr. Heintz sign the order. Mr. Heintz informed the Board that the Administrator will attempt to send out the funds no later than January 13, 2012, after the required 30 day period of notification as stated in the uncontested final order.

#### **3.2 PLAN WORKSHOP AND CODIFICATION OF THE PLAN**

There was no discussion of the codification of the plan. It was agreed that sections 2 through 5 would be discussed at the special meeting scheduled for December 6, 2011 at 10:00am.

### **4. PLAN ATTORNEY COMMENTS**

The Board and the attorney discussed the annual dues for FPPTA, which Mr. Heintz notified the Board that the Administrator pays the invoice once it is presented and at this time it does not require additional Board Approval. Mr. Levinson provided the Board with an overview of the benefits of joining FPPTA, a summary of the proposed pension bills in the upcoming legislative session, and information about the State Division of Retirement's website.

The attorney provided the Board with additional information about past legislative changes previously discussed. The primary change requires plans to limit overtime pensionable earning to no more than 300 hours, and eliminate any payout of unused annual or sick leave as pensionable earnings. The Board agreed that the changes should be by ordinance rather than administrative rule. The attorney and the Board discussed drafting an ordinance that uses the same details as the Town's fire and police pension plans to keep continuity among all of the Town's pension plans.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Muniz to direct the attorney to draft an ordinance to reflect the information in the**

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BOARD OF TRUSTEES MINUTES

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**fire plan, specifically: the effective date of the limits to be June 30, 2011; the lesser of the unused annual and sick leave as of June 30, 2011 or the hours as of retirement at the pay rate as of retirement will be used as pensionable earnings; that the ordinance and impact statement be finished and presented at the same time as the Town's fire pension plan; and this is only for the non-represented employees in the pension plan. The motion carried unanimously.**

**5. PLAN ADMINISTRATOR COMMENTS**

There was no additional comment from the Administrator.

**6. NEXT MEETING DATE – March 5, 2012 at 2:00 p.m.**

The 2012 meetings will be held first Monday of the month in March, June, and December and the second Monday of the month in September.

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 3:20 p.m.

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**Date approved**

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**Chairperson Hall**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: TOWN COUNCIL CHAMBERS  
6591 Orange Drive  
March 5, 2012 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:03 p.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Russell Muniz, and Trustee Rod Ley. Also present were Stu Kaufman, Klausner & Kaufman, and Dustin Heintz, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES December 5, 2011**

Members reviewed the revised minutes from the December 5, 2011 meeting.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Muniz to approve the minutes as presented. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS December 31, 2011**

Mr. Heintz reviewed the structure of the asset allocations and the investment returns through December 31, 2011. For the quarter, the fund was up 6.85% and on a one year basis the fund was up 2.11%.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Muniz and seconded by Trustee Ley to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Muniz to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

**3. OLD BUSINESS**

**3.1 DISCUSSION OF REVISED OCTOBER 1, 2011 ACTUARIAL VALUATION**

The Board discussed the revised valuation with a 7.60% assumed rate of return.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Ley to approve the revised 2011 Actuarial Valuation.**

**3.2 DISCUSSION OF PLAN WORKSHOP AND CODIFICATION OF THE PLAN**

A workshop is scheduled for March 6, 2012 at 10:00 a.m. to discuss codification of the plan.

**3.3 DISCUSSTION OF ORDINANCE**

The Attorney notified the Board that Ordinance 2012-05 was passed on February 15, 2012.

**4. PLAN ATTORNEY COMMENTS**

The Attorney provided an update on the 2012 legislative session. The Attorney also reminded the Trustees to be cautious and accurately fill out the state financial disclosure form which should be sent in the next few months. The Trustees were also reminded that the attorney's Client Conference will be held on March 18-21.

**5. PLAN ADMINISTRATOR COMMENTS**

The administrator had no further comments. The Trustees discussed having a policy to define vesting requirements for employees who terminate and return to the Town in a different position. It was agreed to move this discussion to the next meeting.

**6. NEXT MEETING DATE – June 4, 2012 at 2:00 p.m.**

The 2012 meetings will be held first Monday of the month in June, and December and the second Monday of the month in September.

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 3:12 p.m.

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**Date approved**

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**Chairperson Hall**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: *TOWN COUNCIL CHAMBERS*  
6591 Orange Drive  
June 4, 2012 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:06 p.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Russell Muniz, and Trustee Rod Ley. Also present were Adam Levinson, Klausner & Kaufman, and Dustin Heintz, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES March 5, 2012**

Members reviewed the minutes from the March 5, 2011 meeting.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Ley to approve the minutes as presented. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS March 31, 2012**

Mr. Heintz reviewed the investment returns through March 31, 2012. For the quarter, the fund was 7.29% and on a one year basis the fund was up 14.64%.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Phillips to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Ley to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

**2.5 PAYMENT TO RETIREE**

There was a consensus of the Board to have the Florida League of Cities to reimburse the Plan for interest due to an overpayment made to a retiree.

**2.6 CS/HB 401, DISSOLUTION OR ANNULMENT OF MARRIAGE/EFFECT ON DESIGNATIONS**

Mr. Levinson discussed CS/HB and how it relates to a retiree who has divorced and the spouse is the designated beneficiary.

**2.7 ALEXANDER HALVERSON**

Mr. Halverson presented his interest in entering the defined benefit plan. He assumed he was always a member of the defined benefit plan, and recently discovered he was enrolled in the 401(a). He would like to roll over his 401(a) funds and receive the appropriate credit in the defined benefit plan. Mr. Levinson stated they will hold a formal hearing at the next meeting after all applicable information and documents have been presented to the Board for review.

**3. OLD BUSINESS**

**3.1 DISCUSSION OF PLAN WORKSHOP AND CODIFICATION OF THE PLAN**

A workshop is scheduled for June 5, 2012 at 9:00 a.m. to discuss codification of the plan.

**3.2 DISCUSSION OF VESTING POLICY FOR RETURNING EMPLOYEES**

This will be discussed at the workshop scheduled for June 5, 2012 at 9:00 a.m.

**4. PLAN ATTORNEY COMMENTS**

There were no further comments from the plan attorney.

**5. PLAN ADMINISTRATOR COMMENTS**

Mr. Heintz brought up the pre-retirement death benefit and actuarial equivalence. This will be discussed further at the workshop scheduled for June 5, 2012 at 9:00 a.m.

**6. NEXT MEETING DATE – September 10, 2012 at 2:00 p.m.**

The 2012 meetings will be held first Monday of the month in June, and December and the second Monday of the month in September.



**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 3:51 p.m.

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**Date approved**

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**Chairperson Hall**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: TOWN COUNCIL CHAMBERS  
6591 Orange Drive  
July 11, 2012 at 9:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 9:06 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Russell Muniz, and Trustee Rod Ley. Also present were Adam Levinson, Klausner & Kaufman, Jeremy Button, FMPTF, and Chuck Carr, Southern Actuarial Services.

**2. NEW BUSINESS**

**2.1 DISCUSSION OF ACTUARIAL EQUIVALENT WITH ACTUARY**

The Plan Document names a very specific mortality table, which then becomes outdated once the actuary moves to the latest version. A better way to keep the Plan Document current would be to reference the mortality table used in section 417(e)(3) of the IRS code. An updated mortality table provides for a benefit to plan participants by not overcharging participants for joint & survivor benefit selections. The Division of Retirement has stated that they would prefer to see the reference to 417(e)(3) as described by the actuary. Mr. Levinson indicated that he would rewrite the Plan Document as discussed.

Mr. Levinson provided copies of the Administrative Rule in question, regarding payments to a beneficiary. The language in question comes from the Plan Document, which currently states that if an employee dies prior to their Normal Retirement Date and is vested, the beneficiary shall receive the benefit otherwise payable.

As currently written, Mr. Carr assumes that a beneficiary would receive the accrued benefit at the member's Normal Retirement Date. The Board would need to determine if a beneficiary's benefit should be actuarially reduced if the beneficiary being younger than the member. A beneficiary older than the member would receive an actuarially increased benefit using this same assumption. Once this issue has been resolved, the Board would need to determine if the beneficiary is able to receive an actuarially reduced benefit before the member's Normal Retirement Date.

Mr. Carr also noted that currently in the Plan, a beneficiary is not limited to being a spouse. The Plan may define who can and cannot be a beneficiary. Mr. Levinson noted that if the Board changes the definition of who is able to become a beneficiary, they will want to consider the impact on domestic partners.

Board members discussed giving the option of paying an actuarially reduced benefit to current beneficiaries that are waiting on the member's Normal Retirement Date to begin collecting benefits. Mr. Carr indicated there are currently two deferred beneficiaries.

**A motion was presented by Trustee Phillips and seconded by Trustee Munez to clarify the Administrative Rule, which gets built into section 7.02 of the Plan. In paragraph three of the Administrative Rule, replace the wording of 'actuarial equivalent' with 'accrued' and add a new sentence at the end of paragraph three 'Alternatively, you may elect to receive an earlier payment on an actuarial equivalent basis.'**

Trustee Ackerman noted that he agreed with the idea of paying deferred beneficiaries early at an actuarially reduced benefit, but stated that it was fiscally irresponsible of the Board to not actuarially adjust a beneficiary's benefit based on the age difference between the beneficiary and the member.

**Roll Call Vote:**

**Yes: Muniz, Hall, Phillips, Ley**

**No: Ackerman**

**2.2 DISCUSSION OF APPROVAL OF ACTUARIAL VALUATION**

Board members agreed the actuarial valuation had been approved at a previous meeting. Board members took the opportunity to speak with the actuary regarding various Plan scenarios.

**3. OLD BUSINESS**

**3.1 DISCUSSION OF CODIFICATION OF THE PLAN**

A draft of the Plan is to be presented at the next meeting.

**6. NEXT MEETING DATE – September 10, 2012 at 2:00 p.m.**

The 2012 meetings will be held the second Monday of the month in September and the first Monday of the month December.

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 11:33 a.m.

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**Date approved**

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**Chairperson Hall**

**FINAL MINUTES  
MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: *TOWN COUNCIL CHAMBERS*  
6591 Orange Drive  
September 10, 2012 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:05 p.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, and Trustee Rod Ley. Absent: Trustee Russell Muniz. Also present were Adam Levinson, Klausner & Kaufman, and Jeremy Button and Jeff Blomely, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES June 4, 2012**

Members reviewed the minutes from the June 4, 2012 meeting.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Ley to approve the minutes as presented. The motion carried unanimously.**

**2.2 MINUTES July 11, 2012**

Members reviewed the minutes from the July 11, 2012 meeting.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Phillips to approve the minutes as presented. The motion carried unanimously.**

**2.3 QUARTERLY INVESTMENT RETURNS June 30, 2012**

Mr. Button reviewed the investment returns through June 30, 2012. For the quarter, the fund was down 1.68% and on a one year basis the fund was up 12.71%.

**2.4 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Phillips and seconded by Vice Chairman Ackerman to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES**

**TOWN OF DAVIE**

**Location: TOWN COUNCIL CHAMBERS**

**6591 Orange Drive**

**September 10, 2012 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:05 p.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, and Trustee Rod Ley. Absent: Trustee Russell Muniz. Also present were Adam Levinson, Klausner & Kaufman, and Jeremy Button and Jeff Blomely, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES June 4, 2012**

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**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Ley to approve the minutes as presented. The motion carried unanimously.**

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Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Phillips and seconded by Vice Chairman Ackerman to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.5 RETIREMENTS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Ley to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.6 PLAN DOCUMENT REVISION**

Mr. Levinson presented changes to the text of the plan document which were discussed at a prior board meeting. Mr. Levinson stated they could discuss at a special meeting or at the regular December meeting. He stated the actuary will need a copy. Mr. Levinson stated he will add in the administrative rules the Board has adopted over time, and he will send it to the tax council to update tax language. He stated there may be additional negotiations dealing with closing plan, making tiers or other changes to the plan.

Trustee Ackerman noted that the Town was exploring several options concerning the Plan and no decisions have been made.

**A motion was presented by Trustee Ley and seconded by Trustee Phillips to make the Board's resources available the Town. The motion carried unanimously.**

Mr. Levinson brought up article 3 of the plan document as there was discussion in a previous workshop about a resolution from the Town in 2006 to allow delegation for the authorization to pay benefits. Mr. Levinson requested the Board to check their notes. Mr. Levinson then brought up article 9 on vesting where he changed the vesting to 5 years for management employees, as the Board was interested in extending vesting to 5 years for management employees hired after the effective date.

## **2.7 ACCOUNTING FOR LEAP YEAR IN CALCULATIONS**

Mr. Button said there was a question from an employee as to whether the actuary took into account leap years when calculating benefits. Mr. Button said the actuary did take leap year into account. Vice Chairman Ackerman stated his concerns about this and Mr. Button asked if Vice Chairman Ackerman could provide an example to show the actuary the concern.

## **2.8 ALEXANDER HALVERSON**

Mr. Levinson stated he had circulated materials regarding Mr. Halverson's situation and stated this was an informal hearing/discussion. Mr. Levinson stated that Mr. Halverson was hired in 2003 and there was an opportunity in 2006 to move to the defined benefit pension plan. There was a deadline of September 15<sup>th</sup> which was moved to Sept 22<sup>nd</sup>. Mr. Levinson stated some reasonable questions

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES FINAL MINUTES

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that could be asked such as: what was Mr. Halverson's status at that time; what notification did he receive; any additional information about how it all fits together.

Mr. Halverson asked if there were any questions for him. Mr. Halverson said he didn't have email access for years and would not have received email notifications regarding plan changes. There was a discussion about the timeline of when Mr. Halverson received a computer and an office. There was a question to Mr. Halverson about the 401a statements he was receiving. Mr. Halverson said he assumed this was his pension. He noticed town contributions on the statement, but didn't realize this was a 401a. Mr. Levinson noticed a memo dated 1/8/07 from Mark Allen, who was the HR Director at the time, which suggests there was some confusion regarding Mr. Halverson's status at some times. There were many question asked of Mr. Halverson regarding his status at different periods of time.

There was a discussion of letters and emails that were distributed and whether they were included in Mr. Halverson's paycheck.

Mr. Levinson said he would encourage the Trustees to go through all the paperwork and ask questions that come to mind. He stated that whatever they decide they must be comfortable with the records in front of them; they must understand the circumstances; and they need to know how someone could fall through the cracks.

Chairperson Hall stated she would like clarification on his status.

Several questions were asked to representatives from the Human Resources Department.

Mr. Levinson stated the Board has a fiduciary duty, and that depending on the decision made, they would be setting a precedent. He stated they need to make sure they understood the facts.

Mr. Levinson suggested the Trustees ask questions to Human Resources and to the departments, then circulate these questions to Mr. Button and himself. Those questions could then be forwarded to Human Resources. At the next meeting, Mr. Halverson could attend with an attorney.

Mr. Levinson said that if the Board does allow Mr. Halverson to join the plan, there would be questions that need to be answered regarding what would happen next. One scenario would be for Mr. Halverson to surrender his 401a account, and he would then come with service for all his years of service. Another scenario would be for Mr. Halverson to purchase service if desired in addition to his 401a funds.

This item will be on the agenda for the next meeting.

## **2.9 PRE-RETIREMENT DEATH BENEFIT**

Mr. Levinson presented the last page of the email from actuary. There were some suggestions from the actuary, but input was still required from the Board. In the email from the actuary, a spouse receives a lifetime benefit; whereas a non-spouse beneficiary receives an actuarial equivalent benefit. A definition of a spouse is needed and Mr. Levinson gave a definition that could be used:

*for purposes of this rule, an eligible spouse is defined as a spouse including a registered domestic partner who has been married to the member for 6 or more months.*

Mr. Levinson stated this administrative rule will be captured in the plan rewrite which will include a reduction of a death benefit compared to the full benefit for whoever the beneficiary is. When there would be a beneficiary other than the spouse, the benefit would be reduced to the actuarial equivalent.

**A motion was presented by Trustee Phillips and seconded by Trustee Ley to interpret the September 12, 2011 administrative rule to permit the payment of actuarial equivalent benefit to allow a beneficiary to receive a benefit earlier than normal retirement age with an actuarial reduction. The motion carried unanimously.**

Mr. Button said he would have the actuary follow through for those beneficiaries we need to identify.

### **3. OLD BUSINESS**

#### **3.1 DISCUSSION OF PLAN WORKSHOP AND CODIFICATION OF THE PLAN**

In review of his notes, Mr. Levinson found reference to a 2006 resolution that would allow delegation for the authorization to pay benefits. Mr. Levinson asked Trustees to check their notes to see if they could find more information about this resolution.

#### **3.2 DISCUSSION OF VESTING POLICY FOR RETURNING EMPLOYEES**

Trustee Ackerman stated there was a current retiree receiving a benefit and was gone for over a year. This retiree returned to the Town as a general employee. Clarification is needed on whether this member was already vested or would need to vest over again beginning with his new employment date.

Chairperson Hall stated that Bob Klausner had communicated previously that if a retiree returns to work, they would have to vest for 6 additional years. If someone was collecting a pension, their prior years of service should not be considered.

Mr. Levinson stated he will draft some clarification language to make it clear that if someone was receiving a benefit, and they returned to service, they must vest from the start. Their original retirement benefit would not be increased. This



MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES FINAL MINUTES

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participant would be in waiting to earn a new benefit if they become eligible, and must be employed for the vesting period. The Town policy may be referenced regarding in-service distribution as a tax item, and we would make sure we don't disqualify the plan by violating IRS in-service distribution laws.

**4. PLAN ATTORNEY COMMENTS**

There were no further comments from the plan attorney.

**5. PLAN ADMINISTRATOR COMMENTS**

Mr. Button wanted to clarify on the item where he was asked to contact the actuary to address deferred beneficiaries; he wanted to make sure he knew the Board's wishes. As He understood, we will use the 9/30/11 administrative rule, and have the actuary produce calculations for those 2 beneficiaries. We would have the actuary interpret the plan that way.

Mr. Button brought up the matter of the missing minutes; that is, what was signed and not signed and whether there were minutes for every meeting. He stated he had signed minutes for about half of the meetings. Chairperson Hall stated that the Board doesn't require signed minutes and that minutes were simply accepted at the meeting. Mr. Button stated he would produce a secondary report and will double check everything. He believed the only missing minutes were from the 2/28/11 workshop. He has access to Mr. Heintz's old files. Mr. Button will report back to the Board at next meeting.

Trustee Phillips questioned when this could be available as the Town receives records requests. Mr. Button stated he has all of the minutes. He will produce a CD of all minutes, and he'll email them regularly after each meeting.

**6. NEXT MEETING DATE – December 3, 2012 at 10:00 a.m.**

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 4:27 p.m.

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**Date approved**

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**Chairperson Hall**

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**FINAL MINUTES  
MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: *TOWN COUNCIL CHAMBERS*  
6591 Orange Drive  
December 3, 2012 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:04 p.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Rod Ley and Trustee Russell Muniz. Chairperson Hall arrived at 2:12 p.m. Also present were Stuart Kaufman, Klausner & Kaufman, and Paul Shamoun and Jeff Blomeley, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES September 10, 2012**

Members reviewed the minutes from the September 10, 2012 meeting.

**A motion was presented by Trustee Phillips and seconded by Trustee Ley to approve the minutes as presented. The motion carried unanimously.**

Trustees Russell Muniz and John Phillips were sworn in at this time.

**2.2 QUARTERLY INVESTMENT RETURNS September 30, 2012**

Mr. Shamoun reviewed the investment returns through September 30, 2012. Mr. Shamoun mentioned the new fee schedule which would affect the Town's pension fund by reducing basis points for assets over \$25 million to 5 basis points. For the quarter, the fund was up 3.99% and on a one year basis the fund was up 17.2%.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Muniz to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Muniz and seconded by Trustee Ley to approve all retirement payments approved by Chairperson Hall. Vice Chairman Ackerman voted against approval due to the pre-retirement death benefit paid to a beneficiary. The motion carried.**

## **2.5 CLARIFICATION ON ATTORNEY BILL FOR 3/6/12**

There was a clarification on a bill the attorney charged for a meeting he attended, but since there wasn't a quorum the meeting did not occur. The attorney charged travel time.

## **2.6 2012 ACTUARIAL VALUATION**

Mr. Shamoun discussed the 2012 actuarial valuation.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Muniz to approve the 2012 actuarial valuation subject to the actuary's revisions. The motion carried unanimously.**

# **3. OLD BUSINESS**

## **3.1 DISCUSSION OF VESTING POLICY FOR RETURNING EMPLOYEES**

Mr. Kaufman spoke about a previous discussion the Board had regarding a situation where a retiree receiving a retirement benefit from the Town was rehired. Mr. Kaufman stated that employees must start vesting anew. There would be a separate benefit. The Firm was directed to draft an Administrative Rule to this effect. This Administrative Rule was to document and codify the Board's previous decision on this issue.

**A motion was presented by Vice Chairman Ackerman and seconded by Trustee Ley to approve the Administrative Rule regarding the vesting policy for returning employees. The motion carried unanimously.**

## **3.2 PLAN DOCUMENT REVISION**

Mr. Kaufman stated this item was on hold pending the outcome of negotiations.

## **3.3 ALEXANDER HALVERSON**

There was a discussion amongst the Trustees regarding allowing Mr. Halverson to join the Plan. Mr. Halverson spoke on his behalf of his interest to join the Plan. The Human Resources Director spoke on behalf of the Human Resources Department.

**A motion was presented by Trustee Muniz and seconded by Trustee Ley to allow Mr. Halverson to join the plan with all benefits of a General employee**

**with the option to purchase prior service. Vice Chairman Ackerman voted against approving Mr. Halverson to join the Plan. The motion carried.**

**3.4 PRE-RETIREMENT DEATH BENEFIT – Update**

An update was provided on beneficiary payments due to the beneficiaries of Michael Hall, John Brown and Robert Harris. Mr. Hall's beneficiary began receiving her payment on 12/1/2012, Mr. Brown's beneficiary's letter was returned undeliverable and her address would be researched, and Robert Harris's beneficiary did not respond to the letter that was mailed out.

**4. PLAN ATTORNEY COMMENTS**

There were no further comments from the plan attorney.

**5. PLAN ADMINISTRATOR COMMENTS**

There were no further comments from the plan administrator.

**6. 2013 MEETINGS – March 4, 2013 at 2:00 p.m.**

**7. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 3:51 p.m.

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**Date approved**

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**Chairperson Hall**

**FINAL MINUTES  
MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: TOWN COUNCIL CHAMBERS  
6591 Orange Drive  
March 4, 2013 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:04 p.m.

Present at the meeting were Vice Chairman William Ackerman, Secretary John Phillips and Trustee Rod Ley. Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES December 3, 2012**

Members reviewed the minutes from the December 3, 2012 meeting.

**A motion was presented by Trustee Phillips and seconded by Trustee Ley to approve the minutes as presented. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS December 31, 2012**

Mr. Shamoun reviewed the investment returns through December 31, 2012. Mr. Shamoun mentioned the Town made an upfront contribution of over \$3 million last quarter. For the quarter, the fund was up 1.1% and on a one year basis the fund was up 10.93%. The three year return was 8.28%, the five year return was 3.35% and the 10 year return was over 6%.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Ley and seconded by Trustee Phillips to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Phillips and seconded by Trustee Ley to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.5 DISCUSSION OF ROBERT HARRIS DEATH BENEFIT**

Mr. Levinson explained that Mr. Harris' beneficiary had chosen not to receive the immediate, reduced benefit and wanted to wait until her deceased husband's normal retirement date to receive the full benefit. Mr. Levinson stated there was an email between the Administrator, himself and the actuary stating this would be acceptable. Vice Chairman Ackerman requested this item be placed on the agenda for the next meeting and Mr. Shamoun said it would be placed on the agenda with the appropriate backup.

## **2.6 MEMO RECEIVED FROM GENERAL EMPLOYEE HERB HYMAN**

Mr. Levinson stated Chairperson Hall received a memo from Mr. Hyman and Mr. Levinson had instructed Chairperson Hall to place it on the agenda for discussion. Mr. Hyman was then given the opportunity to speak on his behalf. Mr. Hyman stated that when the plan started he felt it was structured improperly but he was instructed not to speak up to the Council when the plan was adopted. Mr. Hyman stated his supervisor at the time assured him there could be another tier to the plan that would include a class of managers not currently included in the management class of the plan. Mr. Hyman felt he had been lied to. Vice Chairman Ackerman asked Mr. Hyman what specifically he wanted accomplished. Mr. Hyman stated he wanted to be placed in the management class of the plan along with the other similar managers retroactive back to when the plan began. Mr. Levinson suggested the conversation continue when all Trustees would be present at a future meeting.

## **2.7 CLARIFICATION OF 5 YR. TIMEFRAME TO PURCHASE YEARS OF CREDIBLE SERVICE**

Mr. Shamoun suggested tabling this item since it was added by Chairperson Hall and she was not present at the meeting.

**A motion was presented by Trustee Phillips and seconded by Trustee Ley to table the item until the next meeting. The motion carried unanimously**

## **2.8 PROPOSED PENSION REFORM**

Mr. Levinson stated he believed Chairperson Hall wanted to make sure the Board's resources were available to the Town. Vice Chairman Ackerman stated he believed the Town had already used some of the Board's resources and Chairperson Hall had already given authority a few meetings ago.

## **2.9 DISCUSSION OF PROPOSED HOUSE BILL 599**

Mr. Levinson provided an overview of House Bill 599 which amends Section 112.66 Florida Statute by which the plan was governed. Mr. Levinson stated there would be a new disclosure beginning in 2014. There would be new GASB requirements, specifically GASB 67 and 68.

**3. OLD BUSINESS**

**3.1 PLAN DOCUMENT REVISION**

Mr. Levinson stated his office had workshops with the Board and had received input on the status of combining the administrative rules and ordinances affecting the plan, and would be combining everything into one large document. Mr. Levinson stated that his office would await more clarity on what the Town decides to do with the benefit structure before the final document was complete. Vice Chairman Ackerman requested Mr. Levinson to email the latest document highlighting changes.

**3.2 ALEXANDER HALVERSON - Update**

Mr. Shamoun stated there was another calculation prepared for Mr. Halverson broken down by year and that Mr. Halverson had received this calculation. Vice Chairman Ackerman asked if a decision had been made. Mr. Levinson stated Mr. Halverson had chosen to join the plan. There was then a discussion between Mr. Halverson, Mr. Shamoun and Mr. Levinson regarding what funds Mr. Halverson would be rolling over to purchase his past service.

**3.3 PRE-RETIREMENT DEATH BENEFITS - Update**

Mr. Shamoun stated these benefits were moving along.

**4. PLAN ATTORNEY COMMENTS**

There were no further comments from the plan attorney.

**5. PLAN ADMINISTRATOR COMMENTS**

Mr. Shamoun stated he would like for the next meeting to be held on June 10, 2013 at 2:00 p.m.

**6. 2013 MEETINGS – June 10, 2013 at 2:00 p.m.**

**7. PUBLIC COMMENTS**

Ms. Bette Gibson, a deferred vested participant in the plan, asked if retirees were able to vote on who serves on the Board. Mr. Levinson stated only active members in the plan could vote. Ms. Gibson then expressed her concern about the meeting dates being posted as she believed they were not posted on the Town's web page. Mr. Shamoun stated the meeting dates were posted and showed this to Ms. Gibson. Trustee Phillips stated the

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES FINAL MINUTES

Page 4

Clerk's office was posting this information to the website. Ms. Gibson stated she felt something in the future should be considered for retirees to have voting privileges for who serves on the Board.

Ms. Carole Stratman, current active participant, stated she had heard talk about closing the defined benefit plan. She asked what would happen if the plan were to close. Mr. Shamoun stated that if the plan closed to new hires, the Town would still be required to fund the plan. Mr. Shamoun stated the Town was not required to provide future pension benefits. Mr. Shamoun stated that what was earned is owed to participants.

Ms. Judy Nesbitt, a current active participant, spoke of her concerns about the plan closing and how it would impact employees. Mr. Levinson said anything earned was guaranteed, but that no future benefits were guaranteed. Ms. Nesbitt asked what was being discussed. Mr. Levinson stated he was not involved in those discussions. Mr. Levinson stated that what had been earned would not be lost; the Town had control over what occurs in the future but cannot take away what had been earned.

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 3:44 p.m.



**FINAL MINUTES  
SPECIAL MEETING  
MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
Location: TOWN COUNCIL CHAMBERS  
6591 Orange Drive  
August 5, 2013 at 11:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 11:14 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Rod Ley and Trustee Russell Muniz. Also present were Adam Levinson, Klausner & Kaufman, Richard Lemack, Town Administrator, and Macciano Lewis, Assistant Town Administrator.

**2. DISCUSSION OF PROPOSED PENSION REFORM ORDINANCE**

Vice Chairman Ackerman provided an overview of the proposed pension reform ordinance.

**A motion was presented by Trustee Muniz and seconded by Trustee Phillips to accept the proposed ordinance. The motion carried unanimously.**

3. Herb Hyman addressed the Board with his concerns regarding the inconsistency in the plan as it relates to the definition of a Management Employee.

**4. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 12:00 p.m.

**FINAL MINUTES  
MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: TOWN COUNCIL CHAMBERS  
6591 Orange Drive  
September 11, 2013 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:09 p.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Rod Ley and Trustee Russell Muniz. Also present were Adam Levinson and Paul Daragjati, Klausner & Kaufman, and Paul Shamoun, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES July 8, 2013**

Members reviewed the minutes from the July 8, 2013 meeting. Vice Chair Ackerman requested a change to section 2.5 adding the service purchase during first 5 years of employment applied to employees hired on or after October 1, 2003.

**A motion was presented by Trustee Muniz and seconded by Vice Chair Ackerman to table the minutes until the next regular board meeting. The motion carried unanimously.**

**2.2 MINUTES SPECIAL MEETING August 5, 2013**

Members reviewed the minutes from the August 5, 2013 special meeting.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Muniz to approve the minutes as presented. The motion carried unanimously.**

**2.3 DISCUSSION OF LUMP SUM OPTIONS TO DEFERRED VESTED PARTICIPANTS WITH BENEFITS UNDER \$100/MONTH**

Mr. Levinson explained the Plan allowed the Trustees to allow a retiree to receive a lump sum payment in lieu of a monthly benefit if the monthly benefit would be less than \$100 per month.

The Trustees discussed the lump sum election and did not move to allow a lump sum payment to this participant.

**2.4 QUARTERLY INVESTMENT RETURNS JUNE 30, 2013**

Mr. Shamoun reviewed the investment returns through June 30, 2013. For the quarter, the fund was up ½ % and on a one year basis the fund was up 7.43%.

## **2.5 RATIFICATION OF INVOICE PAYMENTS**

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Muniz and seconded by Trustee Phillips to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.6 RETIREMENTS & LUMP SUMS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Ley to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.7 DISABILITY APPLICATION**

Mr. Levinson read a letter from the disability applicant. Mr. Levinson discussed provisions in the Plan regarding a disability benefit. Mr. Levinson stated the Board needed to make a decision on whether or not to accept the application for a participant who terminated employment in 2007.

This item will be discussed at a special meeting on November 5, 2013 at 10:00 a.m. in the Engineering Room. The Administrator will invite the applicant to this meeting. The topic for the upcoming November meeting would be whether to accept a disability application from a former employee.

## **2.8 DISCUSSION OF SB 50**

Mr. Levinson stated any public body must allow public participation and that Members couldn't vote on an item unless anyone who wanted to participate had the ability to do so. Mr. Levinson passed out a sample policy on public participation. Trustees wanted the Operating Rules and Procedures included on the agenda for the November 5, 2013 meeting.

## **2.9 REVISED SUMMARY PLAN DESCRIPTIONS**

Trustees requested changes to the Summary Plan Descriptions. Mr. Shamoun stated they would be updated and put on the agenda for the November meeting.

**2.10 DISCUSS VESTING FOR EMPLOYEES, HIRED PRIOR TO OCTOBER 1, 2013, THAT ARE PROMOTED FROM THE GENERAL EMPLOYEE TIER TO THE MANAGEMENT EMPLOYEE TIER**

Trustees discussed this item and it would be brought back to the November meeting.

**2.11 ACCEPTANCE OF PASSPORT FOR PROOF OF BIRTH FOR RETIREE**

Mr. Shamoun stated his office received a request to accept a passport as proof of date of birth in place of a birth certificate, and that the Administrator's office requires a birth certificate unless approved by the Board of Trustees.

**A motion was presented by Trustee Muniz and seconded by Vice Chair Ackerman to accept the passport along with a copy of the applicant's driver's license as proof of date of birth. The motion carried unanimously.**

**3. OLD BUSINESS**

**3.1 FINAL APPROVAL OF PLAN DOCUMENT**

Chairperson Hall stated this item would be discussed at the special meeting on November 5, 2013.

**3.2 FIDUCIARY LIABILITY INSURANCE - Update**

Mr. Shamoun stated the fiduciary liability insurance policy had been paid for by the pension fund and was therefore in effect.

**4. PLAN ATTORNEY COMMENTS**

Mr. Levinson introduced Mr. Paul Daragjati, a new attorney from his law firm.

**5. PLAN ADMINISTRATOR COMMENTS**

Mr. Shamoun stated the 2014 actuarial valuations would incorporate all disclosures for GASB 67 and this would cause the cost to go up.

**6. PUBLIC COMMENTS**

There were no public comments.

**7. 2013 MEETINGS – December 4, 2013, March 5, 2014, June 4, 2014, September 10, 2014**

Chairperson Hall requested the Board's approval to pay the actuarial fee for the impact statement amending the Plan.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES FINAL MINUTES

Page 4

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips for the pension plan to pay for the impact statement of the ordinance amending the Plan. The motion carried unanimously.**

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 4:21 p.m.

**FINAL MINUTES  
MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
Location: TOWN COUNCIL CHAMBERS  
6591 Orange Drive  
November 5, 2013 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:02 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips and Trustee Russell Muniz. Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun, FMPTF.

**A motion was presented by Trustee Muniz and seconded by Vice Chair Ackerman to excuse Trustee Ley from the meeting due to supervisory training. The motion carried unanimously.**

**2. DISCUSSION OF DISABILITY APPLICATION ACCEPTANCE FOR A FORMER EMPLOYEE**

Mr. Levinson provided an overview of medical records and the Sunshine Law and stated the medical records would be kept confidential, but the records would be available for the Trustees to discuss the application. Mr. Levinson then provided a packet of information including the disability applicant's initial retirement benefit calculation prepared in 2008, the disability application, and plan documents providing plan provisions. Mr. Levinson then went through the disability application with the Trustees and brought up related provisions in the plan.

Mr. Levinson went through the procedures of denying a disability application if the Board chose to move in that direction. He also discussed the appeal process. Once the Board entered an order, the applicant would have 30 days to appeal the decision to the Circuit Court.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Muniz to deny the disability application due to not meeting the threshold of a timely application, and allow the applicant to request a rehearing at the December 4, 2013 meeting. The motion carried unanimously.**

**3. OPERATING RULES & PROCEDURES**

**A motion was presented by Trustee Muniz and seconded by Vice Chair Ackerman to table this item until the December 4, 2013 meeting. The motion carried unanimously.**

**4. CODIFIED PLAN DOCUMENT**

Mr. Shamoun asked if Mr. Levinson had received a copy of the FMPTF Plan Document that was recently amended so the Davie plan document could contain a lot of those changes. Mr. Levinson stated it does not contain any of the amendments. Mr. Shamoun stated he would forward the amended FMPTF Plan Document to him.

Mr. Levinson brought up disability provisions that may need to be updated.

Mr. Levinson stated the plan document does not currently reflect the most recent ordinance amending the plan. For the next meeting, he would have it updated to reflect the changes.

Trustees discussed clarifications to be made.

**5. SUMMARY PLAN DESCRIPTIONS**

Mr. Shamoun stated the change would be made regarding a disability application and that it should be submitted prior to separation of service.

Trustees requested changes including separating out the Non-represented members and making the DROP section more clear.

**6. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 12:22 p.m.

***FINAL MINUTES***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**December 4, 2013 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:06 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips and Trustee Rod Ley. Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES July 8, 2013**  
**MINUTES September 11, 2013**  
**MINUTES November 5, 2013 Special Meeting**

**A motion was presented by Trustee Ley and seconded by Trustee Phillips to approve the minutes as presented. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS SEPTEMBER 30, 2013**

Mr. Shamoun reviewed the investment returns through September 30, 2013. The fiscal year end return was up 11.98%. Mr. Shamoun informed the Board the Investment Advisory Committee recently met to discuss options for fixed income of the pension fund. The recommendation was to start another fixed income portfolio with two managers. The two new managers would be Pioneer and Franklin Templeton. The change would allow more diversification.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

Chairperson Hall requested a copy of benefit calculations be included as backup for invoice payments.

Members reviewed the invoice payments that had been approved for payment by the Chairperson since the last meeting.

**A motion was presented by Trustee Phillips and seconded by Trustee Ley to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

Members reviewed the new retirees that had been approved for payment by the Chairperson since the last meeting.



**A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.5 FMPTF AMENDED INVESTMENT POLICY**

Mr. Shamoun provided an overview of the changes made to the FMPTF Investment Policy. The new policy now allows DROP participants to have the option of self-directed investments.

## **2.6 FMPTF MASTER PLAN DOCUMENT**

Mr. Shamoun stated the FMPTF Master Plan Document was mistakenly added to the agenda. However, he pointed out Exhibit B, Actuarial Equivalent, and wanted to make sure the Davie Plan Document included this as well.

## **2.7 MANAGERIAL AND GENERAL EMPLOYEE PENSION WEBSITE**

Chairperson Hall stated this item was on the agenda because she wasn't aware of where information was being placed on the Town's website. She requested the FMPTF to make sure someone at the Town was placing the information on the Town's website. Mr. Shamoun stated his office would need to know who that contact person would be. Trustee Phillips asked about where the League was on the development of the website to post this information. Mr. Shamoun stated they were still in the development phase and it would be up hopefully in the spring of 2014. Mr. Shamoun clarified with the Board that they want the agenda packets emailed to the Clerk's office, and then have someone from his office call someone at the Clerk's office two days later to make sure they had posted it. Chairperson Hall stated that was what she wanted.

# **3. OLD BUSINESS**

## **3.1 CODIFIED PLAN DOCUMENT**

Mr. Levinson stated this would be added to the agenda for the next meeting.

**A motion was presented by Trustee Phillips and seconded by Trustee Ley to table this agenda item until the next meeting. The motion carried unanimously.**

## **3.2 OPERATING RULES & PROCEDURES**

**A motion was presented by Trustee Ley and seconded by Trustee Phillips to table this agenda item until the next meeting. The motion carried unanimously.**

### **3.3 REVISED SUMMARY PLAN DESCRIPTIONS**

The Trustees reviewed the amended summary plan descriptions.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the summary plan descriptions for distribution to plan participants after a 2-week period for Trustees to review. The motion carried unanimously.**

### **3.4 DISABILITY APPLICATION DENIAL**

Mr. Levinson provided an overview of the disability application that was denied at the November 5, 2013 special meeting. He summarized the final order to be signed by the Chair.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to authorize Chairperson Hall to sign the final order denying the disability application. The motion carried unanimously.**

## **4. PLAN ATTORNEY COMMENTS**

Mr. Levinson mentioned the US Supreme Court decision on same sex marriage, and that if a member moved to another state allowing same sex marriage, their marriage is a lawful marriage; however, this would have no bearing on the Plan since it allowed anyone to be a joint annuitant.

## **5. PLAN ADMINISTRATOR COMMENTS**

Chairperson Hall mentioned the letter regarding the 2013 actuarial valuation to be received by February 12, 2013. Mr. Shamoun stated the valuation would be completed before then.

## **6. PUBLIC COMMENTS**

Stacey Hipsman, Human Resources Director, questioned whether the Board was certified, as related to the educational section in the investment policy. Mr. Shamoun stated the Board had received their certifications.

Chairperson Hall mentioned a member of the board had resigned, so there was an opening on the board as the management representative.

## **7. 2014 MEETINGS –MARCH 5, JUNE 4, SEPTEMBER 10 & DECEMBER 3 AT 10:00 A.M.**

## **8. TRUSTEE COMMENTS**

Vice Chair Ackerman began a discussion of general employees who were promoted to management employees and how their benefit was calculated and how their vesting was applied.

**9. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 11:41 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**March 5, 2014 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:07 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Rod Ley and Trustee Evelyn Roig. Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun, FMPTF. Charles Carr, plan actuary, was present via telephone.

**2. SWEARING IN NEW BOARD MEMBERS**

Chairperson Hall, Trustees Rod Ley and Evelyn Roig were sworn in by Town Attorney, John Rayson.

Chairperson Hall asked Mr. Levinson if a new Chair should be elected. Mr. Levinson stated the new board members should first get acclimated and this could be placed on the next agenda. Mr. Shamoun stated the election of Chair, Vice Chair and Secretary would be placed on the next agenda.

Chairperson Hall requested moving item 3.6, regarding Hal Halverson, up to the next item.

**A motion was presented by Secretary Phillips and seconded by Trustee Roig to move item 3.6, regarding Hal Halverson, to the next item on the agenda. The motion carried unanimously.**

**3. NEW BUSINESS**

**3.1 MINUTES December 4, 2013**

**A motion was presented by Trustee Roig and seconded by Vice Chair Ackerman to approve the minutes as presented. The motion carried unanimously.**

**3.2 DISCUSSION OF HAL HALVERSON'S VESTING & YEARS OF SERVICE PURCHASED**

Chairperson Hall stated Mr. Halverson received his annual benefit statement and was questioning his vested service. He was under the impression when he purchased service back in 2013 that the purchase included vesting service.

Mr. Halverson was present at the meeting and stated he understood when he made his service purchase that it would include vesting service.

Chuck Carr, plan actuary, was contacted by telephone to join the discussion. Mr. Carr explained the service purchase calculation was for benefit service only and did not include vesting service.

**A motion was presented by Secretary Phillips and seconded by Chairperson Hall to order another calculation for Hal Halverson to purchase vesting service to be paid by the pension plan.**

**Roll Call Vote:**

<b>Chairperson Hall</b>	<b>Yes</b>
<b>Vice Chair Ackerman</b>	<b>No</b>
<b>Secretary Phillips</b>	<b>Yes</b>
<b>Trustee Ley</b>	<b>Yes</b>
<b>Trustee Roig</b>	<b>Yes</b>

**The motion passed 4-1.**

### **3.3 2013 ACTUARIAL VALUATION**

Mr. Carr provided an overview of the 2013 actuarial valuation.

Mr. Carr explained the only assumption change was the loading that had previously been applied to average final compensation to account for such extra compensation and it would gradually be phased out over a 20-year period.

A 5-year smoothing method was used for the valuation, and a 7.5% interest assumption was used.

Mr. Carr gave a brief overview of GASB 67/68.

Mr. Carr mentioned his office would be issuing a report based on Chapter 2013-100. The state would issue guidelines this summer to follow when they report these figures.

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Phillips to approve the 2013 actuarial valuation. The motion carried unanimously.**

### **3.4 QUARTERLY INVESTMENT RETURNS DECEMBER 31, 2013**

Mr. Shamoun reviewed the investment returns through December 31, 2013. The investment return for the quarter was 5.4%, 11.5% for the five-year period, and 6.2% for the ten-year period.

Mr. Shamoun spoke about the memorandum sent out regarding fixed income. The Investment Advisory Committee met and decided to move 60% to the new portfolio. There would be 40% with Atlanta Cap, 30% with Pioneer, and 30% with Franklin Templeton.

**3.5 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Phillips to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**3.6 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Roig to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

**4. OLD BUSINESS**

**4.1 CODIFIED PLAN DOCUMENT**

This item was tabled for a workshop to be scheduled in the first two weeks of April.

**4.2 OPERATING RULES & PROCEDURES**

This item was tabled for a workshop to be scheduled in the first two weeks of April.

**5. PLAN ATTORNEY COMMENTS**

Mr. Levinson gave a brief overview of information for the new trustee, including the Sunshine Law and forms that would need to be completed.

Chairperson Hall asked Mr. Levinson the status of the Administrative Order for the disability applicant. Mr. Levinson gave an overview of the disability application and that the applicant had not appealed or challenged within the 30 days, so it was now final.

**6. PLAN ADMINISTRATOR COMMENTS**

Mr. Shamoun provided a quick legislative update. Chairperson Hall asked about setting up a web page for the board minutes. Trustee Roig stated there was a place on the website currently where minutes and agendas could be posted. Chairperson Hall asked about the Summary Plan Descriptions. Vice Chair Ackerman stated the new board members should be listed on the Summary Plan Descriptions, and they should be complete. Mr. Shamoun stated his office would make the updates.

**7. PUBLIC COMMENTS**

Judy Nesbitt, plan participant, thanked the board for their services and spoke on behalf of Mr. Halverson regarding the miscommunication about his service purchase.

**8. 2014 MEETINGS – JUNE 4, SEPTEMBER 10 & DECEMBER 3 AT 10:00 A.M.**

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES

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The September meeting was changed to September 30, 2014 at 10:00 a.m.

**9. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 12:45 p.m.

***FINAL MINUTES***  
***WORKSHOP***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: *ENGINEERING ROOM***  
**6591 Orange Drive**  
**April 9, 2014 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:00 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips, Trustee Rod Ley and Trustee Evelyn Roig. Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun, FMPTF.

Trustee Roig departed the meeting at 10:38 a.m.

**2. DISCUSSION ON ALEXANDER HALVERSON**

Mr. Halverson accepted the revised service purchase calculation for 5.255 years of vested and credited service and signed the calculation for the record.

**3. SUMMARY PLAN DESCRIPTIONS**

Trustees discussed the Summary Plan Descriptions.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Roig to approve the summary plan descriptions. The motion carried unanimously.**

Chairperson Hall asked how the summary plan descriptions could be distributed. Mr. Shamoun stated his office could print and group them and mail them to Chairperson Hall for distribution.

**4. CODIFIED PLAN DOCUMENT**

Trustees discussed the Plan Document, as provided by Mr. Levinson. The final Plan Document would be provided at the June meeting for a final review. Mr. Levinson would make all changes as discussed by Trustees. There would then be a meeting with the Town Administrator to discuss the final Plan Document.

**5. OPERATING RULES & PROCEDURES**

Trustees discussed the Operating Rules & Procedures, as provided by Mr. Levinson, and presented some changes to be made.

**6. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 11:58 a.m.



***FINAL MINUTES***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**

**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**June 23, 2014 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:07 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary John Phillips and Trustee Evelyn Roig. Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun, FMPTF.

**2. ELECTION OF CHAIR, VICE-CHAIR AND SECRETARY**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Roig to nominate Grace Hall as Chairperson. The motion carried unanimously. Chairperson Hall accepted the nomination.**

**A motion was presented by Trustee Phillips and seconded by Trustee Roig to nominate William Ackerman as Vice Chair. The motion carried unanimously. Vice Chair Ackerman accepted the nomination.**

**A motion was presented by Chairperson Hall and seconded by Trustee Phillips to nominate Evelyn Roig as Secretary. The motion carried unanimously. Trustee Roig accepted the nomination.**

**3. NEW BUSINESS**

**3.1 MINUTES MARCH 5, 2014 & WORKSHOP APRIL 9, 2014**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Roig to approve the minutes as presented. The motion carried unanimously.**

**3.2 QUARTERLY INVESTMENT RETURNS MARCH 31, 2014**

Mr. Shamoun reviewed the investment returns through March 31, 2014. The investment return for the quarter was .79% and the fiscal year to date was 6.2%. Mr. Shamoun mentioned the Investment Advisory Committee would be interviewing international fund managers at their July meeting for a possible change.

**3.3 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

### **3.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Secretary Roig and seconded by Trustee Phillips to approve all retirement payments approved by Chairperson Hall. The motion carried unanimously.**

### **3.5 BENEFICIARY PAYMENT WITHOUT A BANK ACCOUNT**

Mr. Shamoun explained there was a current beneficiary being paid from the pension plan whose bank account had been closed by her son. The procedure had been to only send retirement benefits directly to a bank account, as we do not cut paper checks.

Trustees and Mr. Levinson discussed this and suggested sending a letter to the beneficiary's son to open a new bank account so her benefit could be paid. Mr. Shamoun stated he would report the outcome at the next regular meeting.

### **3.6 FIDUCIARY LIABILITY INSURANCE RENEWAL**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the renewal of the fiduciary liability insurance policy. The motion carried unanimously.**

## **4. OLD BUSINESS**

### **4.1 FINAL APPROVAL OF PLAN DOCUMENT**

Mr. Levinson reviewed the changes to the Plan Document. Trustees provided changes. Mr. Levinson would make those changes and send the revised Plan Document to the Trustees.

### **4.2 FINAL APPROVAL OF OPERATING RULES & PROCEDURES**

Mr. Levinson reviewed the changes to the Operating Rules & Procedures.

## **5. PLAN ATTORNEY COMMENTS**

Mr. Levinson reminded Trustees to complete their Financial Disclosure. A report of pension plans was provided to Trustees showing assumed interest rates.

## **6. PLAN ADMINISTRATOR COMMENTS**

Mr. Shamoun provided a legislative update. Vice Chair Ackerman asked about the reporting requirements from the 2013 legislative session, and Mr. Shamoun responded that

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES

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the State had not yet provided instruction on how the report should be prepared. The actuary would begin working on these reports once he receives instruction from the State.

**7. PUBLIC COMMENTS**

Judy Nesbitt spoke to Chairperson Hall regarding the remaining forms to be completed by participants for receipt of their Summary Plan Descriptions.

**8. 2014 MEETINGS –SEPTEMBER 30 & DECMEBER 3 AT 10:00 A.M.**

**9. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 12:26 p.m.

***FINAL MINUTES***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**September 30, 2014 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:02 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Rod Ley and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES JUNE 23, 2014**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Roig to approve the minutes as presented. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS JUNE 30, 2014**

Mr. Shamoun reviewed the investment returns through June 30, 2014. The investment return for the quarter was 2.94% and the fiscal year to date was 9.32%. Mr. Shamoun mentioned the Investment Advisory Committee terminated Thornburg as the international manager, and a new manager was hired, Investec Asset Management.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Trustee Ley and seconded by Vice Chair Ackerman to approve all retirement payments and lump sums approved by Chairperson Hall. The motion carried unanimously.**

**2.5 ELECTION POLICY & RULES**

Secretary Roig distributed a policy that her office used that could be adopted for this Plan. Trustees discussed the policy and provided changes.

**2.6 RETIREE CHANGING BENEFICIARY**

Trustees were provided with information regarding a current retiree who changed his beneficiary. The retiree paid for the calculation himself.

## **2.7 VICE CHAIR ACKERMAN'S TERM**

Vice Chair Ackerman's term expired on September 30, 2014 and the Town Administrator had reappointed him to another 4-year term.

## **2.8 DISABILITY APPLICATION**

Mr. Levinson provided an overview to Trustees of a current disability applicant. Medical records were currently being collected and a disability hearing would be held in the near future.

# **3. OLD BUSINESS**

## **3.1 UPDATE ON BENEFICIARY PAYMENT WITHOUT A BANK ACCOUNT**

Mr. Shamoun provided an update of a beneficiary whose son, having Power of Attorney, had closed her bank account and provided a letter that a new account would not be opened. Mr. Levinson would prepare a letter to the son on behalf of the Board.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to allow the plan attorney to provide a letter on behalf of the Board of Trustees to the beneficiary's son. The motion carried unanimously.**

## **3.2 STATUS OF FIDUCIARY LIABILITY INSURANCE RENEWAL**

Mr. Shamoun provided the fiduciary liability insurance policy to Trustees.

## **3.3 STATUS OF PLAN DOCUMENT**

Mr. Levinson provided the amended plan document to Trustees. Mr. Levinson would provide a completed plan document as well as a cover letter to Trustees in the near future.

## **3.4 STATUS OF OPERATING RULES & PROCEDURES**

Mr. Levinson would incorporate the election policy and rules into this document.

# **4. PLAN ATTORNEY COMMENTS**

Mr. Levinson spoke about the new State reporting requirements.

# **5. PLAN ADMINISTRATOR COMMENTS**

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES

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Mr. Shamoun announced he had been promoted to the Associate Director of Financial Services.

**6. PUBLIC COMMENTS**

Judy Nesbitt asked if backup could be included when the agenda was sent out. Someone suggested participants contact the Clerk's office if they wanted the entire agenda packet. She also asked if the plan document would be available to participants. She then asked questions regarding the disability provision in the Plan.

Herb Hyman had questions regarding what a "year" of service consisted of.

**7. 2014 MEETINGS – DECEMBER 3 AT 10:00 A.M.**

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 11:51 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**December 3, 2014 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:05 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Rod Ley and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun and Laura Underhill, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES SEPTEMBER 30, 2014**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Roig to approve the minutes as amended. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS SEPTEMBER 30, 2014**

Mr. Shamoun reviewed the investment returns through September 30, 2014. The investment return for the quarter was (.70%), the fiscal year to date was 8.55%, the ten year return was 6.4% and the 5 year return was 9.46%.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Ley to approve the retirement payment approved by Chairperson Hall. The motion carried unanimously.**

**2.5 2014 ACTUARIAL VALUATION**

Mr. Shamoun reviewed the 2014 actuarial valuation report.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the 2014 actuarial valuation. The motion carried unanimously.**

## **2.6 DISABILITY APPLICATION**

Mr. Levinson provided an update on the current disability applicant, which was still in process. Once the IME report is back, each Trustee would receive a notebook. Trustees discussed possible date for the disability hearing once the IME report is received. Two possible dates discussed were December 11, 2014 or January 5, 2015 at 10:00 a.m. Mr. Levinson reminded Trustees medical records were confidential and would be collected once the disability hearing was complete, but the discussion would be public.

## **3. OLD BUSINESS**

### **3.1 ELECTION POLICY & RULES**

Mr. Levinson provided the amended document to Trustees. Trustees provided changes.

### **3.2 STATUS OF PLAN DOCUMENT**

Mr. Levinson mentioned the actuary was provided with a copy of the plan document for an impact statement to be prepared. Vice Chair Ackerman mentioned he was awaiting a draft copy of the plan document to present to the Town Administrator. Mr. Levinson would email a copy of the plan document to Vice Chair Ackerman so he could present it to the Town Administrator. Chairperson Hall would then meet with the Town Administrator regarding the plan document.

### **3.3 STATUS OF OPERATING RULES & PROCEDURES**

Mr. Levinson would incorporate the changes provided in the election policy into this document.

### **3.4 STATUS OF BENEFICIARY PAYMENT WITHOUT A BANK ACCOUNT**

Mr. Levinson distributed a draft letter to be sent to Randall Brown on behalf of his mother Lucille Brown, who doesn't have a bank account and is therefore not receiving her beneficiary benefit. The letter would be sent by the Administrator.

## **4. PLAN ATTORNEY COMMENTS**

Mr. Levinson spoke about the new State reporting requirements. He also mentioned there would be a new IRS rollover notification to be sent out when a participant would be receiving a return of employee contributions.

## **5. PLAN ADMINISTRATOR COMMENTS**

No further comments.

## **6. PUBLIC COMMENTS**



No public comments.

**7. 2015 MEETINGS – MARCH 3, JUNE 2, SEPTEMBER 1 & DECEMBER 1 AT 10:00 AM.**

Meetings were changed to Tuesdays instead of Wednesdays.

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 11:20 a.m.

**FINAL MINUTES  
MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: TOWN COUNCIL CHAMBERS  
6591 Orange Drive  
March 3, 2015 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:02 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Rod Ley and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun, FMPTF.

**2. NEW BUSINESS**

**2.1 DISABILITY HEARING**

Mr. Levinson provided an overview of the disability hearing rules and confidentiality of medical records. He then went through the applicant's disability application and medical reports provided by the physicians. Human Resources Director, Stacey Hipsman, answered questions regarding short term and long term disability with the Town. The medical records included an 85 page CV from Dr. Caddy.

**A motion was presented by Trustee Ley to grant the disability. There was no second so the motion died.**

Judy Nesbitt, FOP Union President, spoke on behalf of the applicant.

**A motion was presented by Vice Chair Ackerman to deny the disability based on it not being permanent and seconded by Secretary Roig. Roll call vote:**

**Chairperson Hall - no**

**Vice Chair Ackerman - yes**

**Secretary Roig - yes**

**Trustee Ley – no**

**Trustee Phillips - no**

**The motion died.**

**A motion was presented by Chairperson Hall to contact Dr. Caddy to address 3 criteria: (1) was it permanent, (2) was the applicant totally disabled and (3) did the disability occur in the course of her job, and seconded by Trustee Ley. The motion carried unanimously.**

A meeting was set for March 13, 2015 at 9:00 a.m. to discuss the additional report from Dr. Caddy.

**2.2 MINUTES DECEMBER 3, 2014**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the minutes as prepared. The motion carried unanimously.**

**2.3 QUARTERLY INVESTMENT RETURNS DECEMBER 31, 2014**

Mr. Shamoun reviewed the investment returns through December 31, 2014. The investment return for the quarter was 2.71%, the 2 year return was 11.12%, the 5 year return was 9.4% and the 10 year return was 6.13%.

**2.4 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Secretary Roig and seconded by Trustee Phillips ratify all invoice payments approved by Chairperson Hall in addition to 2 invoices received from Klausner & Kaufman for December 2014 and January 2015 Chairperson Hall shared with Trustees. The motion carried unanimously.**

**2.5 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to approve the retirement payment approved by Chairperson Hall. The motion carried unanimously.**

**2.6 DISCUSSION OF AMENDING EMPLOYEE BENEFIT STATEMENTS**

Trustee Phillips mentioned he had received a request from a plan member regarding separating out employee contributions from service purchase contributions, and years purchased. Mr. Shamoun stated the actuary could do this at no charge when preparing next year's benefit statements.

**3. OLD BUSINESS**

**3.1 ELECTION POLICY & RULES**

Mr. Levinson stated this would be placed on the agenda for the next meeting.

**3.2 STATUS OF PLAN DOCUMENT**

Mr. Levinson stated this would be placed on the agenda for the next meeting.

Plan participant, Herb Hyman, questioned the calculation of average final compensation. Mr. Shamoun stated he would provide an explanation at the next meeting.

**3.3 STATUS OF OPERATING RULES & PROCEDURES**

Mr. Levinson stated this would be placed on the agenda for the next meeting.

**3.4 STATUS OF BENEFICIARY PAYMENT WITHOUT A BANK ACCOUNT**

Mr. Shamoun stated his office was still not paying the beneficiary due to no bank account being provided.

**3.5 STATUS OF HAL HALVERSON'S BENEFIT STATEMENT**

Mr. Halverson's corrected benefit statement was provided to the Board.

**4. PLAN ATTORNEY COMMENTS**

No additional comments.

**5. PLAN ADMINISTRATOR COMMENTS**

Mr. Shamoun provided an updated on upcoming legislation as related to pension plans.

**6. PUBLIC COMMENTS**

No additional public comments.

**7. 2015 MEETINGS – JUNE 9, SEPTEMBER 1 & DECEMBER 1 AT 10:00 AM.**

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 1:01 p.m.

**FINAL MINUTES  
MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: TOWN COUNCIL CHAMBERS  
6591 Orange Drive  
March 13, 2015 at 9:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 9:06 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Rod Ley and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman, and Matt Dickey, FMPTF.

**2. OLD BUSINESS**

**2.1 DISABILITY HEARING**

Mr. Levinson provided an overview of Dr. Caddy's report.

**A motion was presented by Trustee Phillips to grant the disability and seconded by Trustee Ley. Roll call vote:**

**Chairperson Hall – yes**

**Vice Chair Ackerman – yes**

**Secretary Roig – yes**

**Trustee Ley – yes**

**Trustee Phillips - yes**

**The motion carried unanimously.**

**2.2 ELECTION POLICY & RULES**

This item would be addressed at the next meeting.

**2.3 DISCUSSION OF ARTICLE 8 ON DISABILITY**

This item would be addressed at the next meeting.

**2.4 STATUS OF PLAN DOCUMENT**

This item would be addressed at the next meeting.

**2.5 STATUS OF OPERATING RULES & PROCEDURES**

This item would be addressed at the next meeting.

**2.6 STATUS OF BENEFICIARY PAYMENT WITHOUT A BANK ACCOUNT**

Mr. Levinson advised a letter was sent to the beneficiary's son advising no payments would be made until such time a bank account was established.

**2.7 ACTUARY'S CALCULATION METHOD OF AVERAGE FINAL COMPENSATION**

Trustees discussed the actuary's explanation of how average final compensation was determined. No action was taken by the Board.

**3. PLAN ATTORNEY COMMENTS**

Mr. Levinson stated all disability notebooks would be collected. He provided a brief legislative update.

**4. PLAN ADMINISTRATOR COMMENTS**

Mr. Dickey introduced himself to the Board.

**5. PUBLIC COMMENTS**

No additional public comments.

**6. 2015 MEETINGS – JUNE 9, SEPTEMBER 1 & DECEMBER 1 AT 10:00 AM.**

**7. ADJOURNMENT**

With there being no further business to discuss, there was a motion to adjourn at 10:18 a.m.

***FINAL MINUTES***  
***WORKSHOP***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**March 31, 2015 at 9:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 9:02 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Rod Ley and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman, and Matt Dickey, FMPTF.

**2. ELECTION POLICY & RULES**

**A motion was presented by Trustee Roig and seconded by Trustee Phillips to approve the Election Policy as prepared by Adam Levinson. The motion carried unanimously.**

Mr. Levinson would bring a clear, approved copy to the next meeting to be signed by Chairperson Hall.

**3. ARTICLE 8 ON DISABILITY**

Trustees worked on a draft of Article 8 on Disability. Mr. Levinson would be codifying items discussed for Article 8 and provide a revised copy of the plan document at the next regular meeting.

**4. PLAN DOCUMENT**

Trustees discussed changes to Article 9. The remainder of the document would be discussed when the Disability Article was completed and brought back codified to the board.

**5. OPERATING RULES & PROCEDURES**

This item was discussed in the prior discussion item regarding the Ordinance and Plan Document.

**6. ADJOURNMENT**

With there being no further business to discuss, there was a motion presented by Trustee Roig and seconded by Trustee Phillips to adjourn at 10:43 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**June 3, 2015 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:03 p.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Rod Ley and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman, and Matt Dickey, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES MARCH 3, 2015**  
**MINUTES MARCH 13, 2015**  
**MINUTES MARCH 31, 2015 WORKSHOP**

A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to approve the minutes with a correction to the March 31, 2015 minutes. The motion carried unanimously.

**2.2 QUARTERLY INVESTMENT RETURNS MARCH 31, 2015**

Mr. Dickey reviewed the investment returns through March 31, 2015. The investment return for the quarter was 2.44%, the fiscal year to date was 5.21%, the 5 year return was 9.11% and the 10 year return was 6.52%.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.

**2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to approve the retirement payment approved by Chairperson Hall. The motion carried unanimously.

**2.5 FIDUCIARY LIABILITY INSURANCE RENEWAL**

A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to move forward with the fiduciary liability insurance as presented. The motion carried unanimously.



**3. OLD BUSINESS**

**3.1 ELECTION POLICY & RULES**

Mr. Levinson provided the election policy and rules as amended from changes provided by Trustees.

**A motion was presented by Secretary Roig and seconded by Trustee Ley to approve the election policy and rules as presented. The motion carried unanimously.**

**3.2 STATUS OF PLAN DOCUMENT**

Mr. Levinson provided an overview of the changes made to the plan document specific to Duty Disability.

Stacey Hipsman, Human Resources Director, provided input regarding Social Security Disability.

**3.3 STATUS OF OPERATING RULES & PROCEDURES**

There was no discussion.

**4. PLAN ATTORNEY COMMENTS**

Mr. Levinson discussed the requirements set forth by Senate Bill 534.

Trustees discussed potential dates for a special meeting to be held in July after the actuary has prepared a cost study based on adding a duty disability to the plan.

**5. PLAN ADMINISTRATOR COMMENTS**

Mr. Dickey discussed the website which would be ready by the end of June due to the requirements of Senate Bill 534.

**6. PUBLIC COMMENTS**

No additional public comments.

Chairperson Hall mentioned a call she had received from Chris Kovanes' former spouse and asked Mr. Levinson to return a call to her. Mr. Levinson requested Mr. Dickey to return the call to the former spouse and let her know a letter would be sent to her regarding what took place.

**7. 2015 MEETINGS –SEPTEMBER 1 & DECEMBER 1 AT 10:00 AM.**

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion presented by Trustee Phillips and seconded by Vice Chair Ackerman to adjourn at 3:17 p.m.

***FINAL MINUTES***  
***SPECIAL MEETING***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**July 10, 2015 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:10 p.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman, Matt Dickey, FMPTF and Chuck Carr (plan actuary) by telephone.

**2. NEW BUSINESS**

**2.1 PLAN DOCUMENT – DISABILITY PROVISION**

Mr. Levinson introduced the discussion on adding a duty vs. nonduty disability to the Plan. Mr. Carr discussed the cost study he prepared regarding making this change. Mr. Carr also discussed the new disclosure as required by the State and the new mortality table to be used effective 1/1/2016.

**A motion was presented by Vice Chair Ackerman to amend the disability language in the Plan Document to allow for a minimum disability benefit of 20% of average compensation. The motion carried unanimously.**

**2.2 LETTER FROM DIVISION OF RETIREMENT REGARDING VALUATION**

Mr. Carr stated the Board did not need to be too concerned about the letter as the Board had already been lowering the interest rate assumption.

**2.3 QUESTION ON RETROACTIVE DROP ENTRY DATE**

The Board discussed whether to allow a participant to enter DROP retroactively back to his normal retirement date. Also discussed were other DROP provisions.

**A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to amend the DROP by allowing a full 5-year DROP which must begin within 5 years of their normal retirement date. This would be discussed with the Town Administrator for approval. The motion carried unanimously.**

**A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to allow Chief Lynn to prospectively enter the DROP. The motion carried unanimously.**

**2.4 DISABILITY APPLICATION**

Mr. Levinson stated he had received a new disability application.

**3. OLD BUSINESS**

**3.1 STATUS ON CHRIS KOVANES' FORMER SPOUSE**

Mr. Levinson stated he reviewed the file and all contributions were paid out to Mr. Kovanes. No further action would be required by the Board.

**4. PLAN ATTORNEY COMMENTS**

Mr. Levinson discussed the client memo sent out by his firm.

**5. PLAN ADMINISTRATOR COMMENTS**

No additional comments.

**6. PUBLIC COMMENTS**

No public comments.

Chairperson Hall mentioned Trustee Rod Ley was leaving the Town of Davie and would need to be replaced on the board. This would be placed on the September agenda.

**7. 2015 MEETINGS –SEPTEMBER 1 & DECEMBER 1 AT 10:00 AM.**

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion presented by Vice Chair Ackerman and seconded by Trustee Phillips to adjourn at 3:20 p.m.

***FINAL MINUTES***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**September 1, 2015 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:04 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES JUNE 3, 2015  
MINUTES JULY 10, 2015 WORKSHOP**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the minutes as presented. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS JUNE 30, 2015**

Mr. Shamoun reviewed the investment returns through June 30, 2015. The investment return for the quarter was 0.08%, the fiscal year to date was 5.30%, the 5 year return was 10.42% and the 10 year return was 6.29%.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the retirement payment approved by Chairperson Hall. The motion carried unanimously.**

**2.5 AMENDED INVESTMENT POLICY**

Mr. Shamoun presented the amended FMPTF Investment Policy. The change in the policy was related to the addition of the FMIvT Core plus fund last year. The benchmark information in the Investment Policy was removed because it did not apply to the new fund.

**A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to adopt the amended FMPTF Investment Policy effective June 4, 2015. The motion carried unanimously.**

## **2.6 NEW TRUSTEE APPOINTMENT**

Trustee Rod Ley terminated employment from the Town of Davie and therefore an election would take place to replace him. Nominations were already being solicited and the election would be held in two weeks.

## **2.7 AMENDED FEES**

Mr. Shamoun provided an overview of the new fee structure effective October 1, 2015. He stated that the FMPTF would not be charging any administrative fees on assets above \$50 million and there would be no charge for the first 4 board meetings of the year.

# **3. OLD BUSINESS**

## **3.1 STATUS OF PLAN DOCUMENT**

Mr. Levinson provided the amended plan document for Trustees to review.

Trustees discussed the provision regarding the DROP entry date and whether they should have a 5-year limitation from the normal retirement date for participants to enter the DROP. Vice Chair Ackerman would discuss this with the Town Administrator and report back to the board.

Trustees discussed the duty and non-duty disability benefit.

Mr. Levinson stated the final version of the ordinance would be sent to the Town and the actuary.

## **3.2 STATUS OF DISABILITY APPLICATION**

Mr. Levinson stated his office had received all required documents and they would be sending the applicant to be examined in the near future.

# **4. PLAN ATTORNEY COMMENTS**

Mr. Levinson provided a Pension Plan Checklist of items that need to be addressed regarding recent legislation.

# **5. PLAN ADMINISTRATOR COMMENTS**

Mr. Shamoun mentioned the actuary would be using the updated mortality tables in 2016. The website link prepared by his office went online in June. Mr. Shamoun mentioned Matt Dickey was now employed by the City of Orlando.

**6. PUBLIC COMMENTS**

Ms. Judy Nesbitt asked about the ballots for the election. She also asked about a current disability applicant and whether they would be held by the new standards or the old standards regarding duty and non-duty disability. Mr. Levinson stated current ordinance would govern for this applicant. However, the benefit amount could be subject to the new ordinance. She asked whether a non-duty disability was based on a percentage. Mr. Levinson stated nothing would change regarding a non-duty disability. Mr. Levinson stated the current disability applicant should be contacted to see if it was a duty disability and if it was, then they should wait to see if the ordinance was passed. She asked about nominations and Vice Chair Ackerman stated the nominations would occur the following week and the election would take place September 14-18.

Chairperson Hall asked about a memo regarding the administrative code. Mr. Levinson stated he could send a copy of the memo explaining the run out dates.

**7. 2015 MEETINGS – DECEMBER 1 AT 10:00 AM.**

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion presented by Trustee Phillips and seconded by Vice Chair Ackerman to adjourn at 11:23 a.m.

***FINAL MINUTES***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS  
6591 Orange Drive  
November 30, 2015 at 10:15 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:20 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Giovanni Moss and Trustee John Phillips (left at 11:45 a.m.) Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun & Jeremy Langley, FMPTF.

**2. SWEARING IN BOARD MEMBERS**

Trustees John Phillips and Giovanni Moss were sworn in.

**3. NEW BUSINESS**

**3.1 MINUTES SEPTEMBER 1, 2015**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the minutes as presented. The motion carried unanimously.**

**3.2 QUARTERLY INVESTMENT RETURNS SEPTEMBER 30, 2015**

Mr. Shamoun reviewed the investment returns through September 30, 2015. The investment return for the quarter was (5.08)%, the fiscal year to date was (0.05)%, the 5 year return was 7.58% and the 10 year return was 5.41%.

**3.3 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Secretary Roig and seconded by Trustee Moss to ratify all invoice payments approved by Chairperson Hall with the exception of attorney invoice number 17391 in the amount of \$741 pending clarification from Mr. Levinson. The motion carried unanimously.**

**3.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to approve the DROP application for Patrick Lynn. The motion carried unanimously.**

**3.5 WEBSITE COMPLIANCE**



Mr. Levinson spoke about the checklist provided by his office relating to items required by recent legislation. Trustees viewed the current website where these required items are housed.

### **3.6 ACTUARIAL VALUATION TO TOWN ADMINISTRATOR**

Chairperson Hall mentioned the Town Administrator needed the actuarial valuation completed by February. A special meeting would be needed. Mr. Shamoun suggested the first week in January and that Ms. Underhill could reach out to trustees for a possible date. Chairperson Hall agreed.

## **4. OLD BUSINESS**

### **4.1 STATUS OF DISABILITY APPLICATION**

Mr. Levinson stated his office had the records and would be setting up an appointment with the independent medical examiner. The disability hearing should be ready for the January special meeting. He spoke on the sensitive nature of the documents used during the hearing.

### **4.2 STATUS OF PLAN DOCUMENT**

Mr. Levinson passed out the administrative rules. Due to the plan rewrite, he mentioned some of the current administrative rules may no longer be in effect.

Some of the administrative rules discussed were regarding the definition of a full-time employee, total cash remuneration, pensionable earnings and the purchase of prior and military service and the charging of interest if the purchase was not made within 60 days.

Vice Chair Ackerman spoke about too much overtime being included in pensionable earnings and those contributions being returned to employees. He also spoke about special duty detail and whether this was pensionable. This item would be addressed by Mr. Levinson to the Town to be discussed with FOPA.

## **5. PLAN ATTORNEY COMMENTS**

No additional comments.

## **6. PLAN ADMINISTRATOR COMMENTS**

No additional comments.

## **7. PUBLIC COMMENTS**

No public comments.

## **8. PROPOSED 2016 MEETINGS – MARCH 1, JUNE 7, SEPTEMBER 6 &**

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES

Page 3

**DECEMBER 6 AT 10:00 AM.**

**9. ADJOURNMENT**

With there being no further business to discuss, there was a motion presented by Secretary Roig and seconded by Vice Chair Ackerman to adjourn at 11:45 a.m.

***FINAL MINUTES***  
***SPECIAL MEETING***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**January 14, 2016 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:05 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Trustee Giovanni Moss and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman; Paul Shamoun and Jeremy Langley, FMPTF; and Chuck Carr (plan actuary) by telephone.

**A motion was presented by Trustee Moss and seconded by Vice Chair Ackerman to excuse Secretary Roig's absence. The motion carried unanimously.**

**2. RATIFICATION OF INVOICE PAYMENT**

The Board needed further clarification on invoice 17391 from Klausner, Kaufman, Jensen & Levinson in the amount of \$741. Chairperson Hall confirmed she did receive clarification.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to ratify the payment made for invoice 17391 to Klausner, Kaufman, Jensen & Levinson in the amount of \$741. The motion carried unanimously.**

**3. 2015 ACTUARIAL VALUATION**

Trustee Phillips brought up the cost of service purchase calculations was \$450 and he thought this price was high.

Mr. Carr was then called to discuss the actuarial valuation.

Vice Chair requested changing the salary assumption to 5.5%

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to increase the salary assumption to 5.5% for the 2016 actuarial valuation. The motion carried unanimously.**

The discussion of service purchase calculations was brought back up to include Mr. Carr. Trustee Phillips stated the calculations were at \$150 and had suddenly jumped to \$375. Mr. Carr stated how the calculations were performed and this was an hourly charge. Mr. Shamoun stated this would be placed on the next agenda for further discussion.

Mr. Levinson brought up a discussion regarding the coordination of benefits with Mr. Carr. There were employees moving between different retirement plans. Mr. Levinson was looking at a cost neutral coordination of benefits. Mr. Carr stated he deals with a lot of retirement plans where there was a lot of movement between plans. Mr. Carr stated that for vesting and eligibility, all service would count regardless of the plan. Regarding benefit service, service for each plan would be separate. Mr. Levinson spoke further on the coordination of benefits and this was brought up due to an employee in this retirement plan who was moving to a different plan and whether he/she should receive a return of their employee contributions. He had instructed to hold off on returning contributions because it was a taxable event. Mr. Levinson provided Trustees with examples of other cities where there was a coordination of benefits. His suggestion was to hold off on the refund. The union, Human Resources Department and Town Manager may have thoughts on the coordination of benefits. Mr. Levinson suggested a cost neutral version. Vice Chair Ackerman wanted to have a conversation with administration. Chairperson Hall suggested bringing this item to the next meeting. Mr. Shamoun stated the actuary could make it cost neutral.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the 2015 actuarial valuation. The motion carried unanimously.**

**4. SECTION 112.664(1) DISCLOSURES**

Mr. Shamoun stated this would be placed on their website.

**5. DISTRIBUTION OF EMPLOYEE CONTRIBUTIONS FOR NON-VESTED  
EMPLOYEE WHO TRANSFERS TO DIFFERENT RETIREMENT PLAN**

This item was discussed under item #3, 2015 actuarial valuation regarding the coordination of benefits for those employees who switch to a different retirement plan.

Chairperson Hall asked Mr. Levinson the status of the pending disability. Mr. Levinson stated they had all the records and he would make sure the doctors were scheduled prior to next meeting.

Trustee Phillips brought up service purchase calculations again and that the price was too high. His suggestion was to have the employee pay \$200 and have the Town absorb the rest. Paul would research the cost to see if the Town paid a portion previously. This would be placed on the agenda for the March meeting.

Vice Chair Ackerman followed up regarding the discussion from the last meeting on special duty detail. The union wanted to keep special duty detail as pensionable, so the cost would need to be passed on to the vendor.

Ms. Judy Nesbitt requested clarification on what doctor the disability applicant would have to go see. Mr. Levinson stated they would use a doctor who didn't focus on worker's compensation and would focus more on pension disability. Ms. Nesbitt then asked who a retiree or disability applicant would get their application from. Mr. Shamoun stated they may be able to get it from their Human Resources Department but could also get the application from his office.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES

Page 3

Mr. Herb Hyman spoke and stated he would be retiring the end of February. He then thanked the board for the opportunity to come before the board.

**6. ADJOURNMENT**

With there being no further business to discuss, there was a motion presented by Vice Chair Ackerman and seconded by Trustee Phillips to adjourn at 11:51 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**March 1, 2016 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:06 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Giovanni Moss (left at 11:00 a.m.) and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES NOVEMBER 30, 2015**  
**MINUTES JANUARY 14, 2016 SPECIAL MEETING**

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to approve the minutes as presented. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS DECEMEBER 31, 2015**

Mr. Shamoun reviewed the investment returns through December 31, 2015. The investment return for the quarter was 2.87%, the 5-year return was 6.96% and the 10-year return was 5.55%.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Trustee Moss and seconded by Trustee Phillips to approve the retirement payments approved by Chairperson Hall. The motion carried unanimously.**

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to approve the lump sum payment approved by Chairperson Hall. The motion carried unanimously.**

## **2.5 COST OF SERVICE PURCHASE CALCULATIONS**

Mr. Shamoun stated he spoke to the actuary and if a participant was requesting 1-3 service year scenarios to be calculated, the cost could drop to \$250. If they were requesting more than 3 year scenarios to be calculated, then the cost would be \$375.

## **2.6 COORDINATION OF BENEFITS**

Mr. Levinson circulated an email from the actuary to Trustees. Vice Chair Ackerman stated he had spoken to Administration and this may be a possibility in the future. Vice Chair Ackerman also brought up whether a participant in their plan who moved to a different retirement plan should be able to receive a return of their employee contributions since they were still employed by the Town. Mr. Levinson stated he would discourage distributions for those employees moving to a different plan, as it may be best to keep the contributions in the plan in the event there was to be a coordination of benefits in the future. There was then a discussion if the coordination of benefits did not occur. Mr. Shamoun stated the interest would accrue through date of termination of employment, not at the point the participant moved to a different retirement plan.

## **2.7 RETIREES PROVIDING PASSPORT FOR PROOF OF DATE OF BIRTH**

Mr. Shamoun stated there was a retiree who wanted to use his passport as proof of date of birth and he stated his office would need board approval.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Moss to allow for this participant to use a copy of their U.S. Passport as proof of their date of birth if they also provided a copy of their driver's license and a signed, notarized affidavit stating the reason. The motion carried unanimously.**

## **3. OLD BUSINESS**

### **3.1 STATUS OF DISABILITY APPLICATION**

Mr. Levinson stated his office had a doctor selected and all the medical records. The appointment was currently being set up by his office. He hoped to have this ready for the next regular meeting or at a special meeting if everything was ready earlier.

### **3.2 STATUS OF PLAN DOCUMENT**

This item was discussed during 2.6 above. Mr. Levinson stated his office would put together an ordinance with a cover letter to the Town Administrator. He would discuss the possibility of the coordination of benefits in the letter.

Levinson brought up GASB 67 & 68. Vice Chair Ackerman stated this has been taken care of.

**4. PLAN ATTORNEY COMMENTS**

Mr. Levinson handed out documents from NASRA which included a chart survey, investment assumptions and performance. Many plans had reduced their plan assumptions.

He encouraged trustees to attend trustee training. His office would have a conference the next week, FPPTA also provides training and the Division of Retirement has a trustee school as well.

Vice Chair Ackerman wanted to clarify there would be no impact on the final version of the plan document.

**5. PLAN ADMINISTRATOR COMMENTS**

Mr. Shamoun mentioned there wasn't much going on legislatively as it related to their plan.

**6. PUBLIC COMMENTS**

No public comments.

**7. 2016 MEETINGS – JUNE 7, SEPTEMBER 6 & DECEMBER 6 AT 10:00 AM.**

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion presented by Secretary Roig and seconded by Trustee Phillips to adjourn at 11:14 a.m.



**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**

**Location: PIONEER ROOM**

**6591 Orange Drive**  
**June 7, 2016 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:04 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Giovanni Moss and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman, and Paul Shamoun & Jeremy Langley, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES MARCH 1, 2016**

**A motion was presented by Trustee Moss and seconded by Secretary Roig to approve the minutes as presented. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS MARCH 31, 2016**

Mr. Shamoun reviewed the investment returns through March 31, 2016. The investment return for the quarter was 0.96%, the 5-year return was 6.42% and the 10-year return was 5.28%.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Secretary Roig and seconded by Trustee Moss to approve the retirement payments and lump sum payments approved by Chairperson Hall. The motion carried unanimously.**

**2.5 PARTICIPANT HIRED PRIOR TO 10/1/13 GOING TO PART-TIME STATUS**

Mr. Levinson brought up the issue of an employee who was hired prior to 10/1/13, but then may go to part-time status, and then return to full-time employment. The question is which tier would the employee return to. He provided Ordinance 2013-18 as a reference. After a discussion with trustees, Mr. Levinson provided language

to be added to the plan document. If a plan participant who was hired prior to 10/1/13 separated from service for a period of 1 year or less, then they could return to tier 1. If they separated from service for a period of 1 year and a day, then they will return to tier 2. If a participant who was hired prior to 10/1/13 terminated employment and took a distribution of their employee contributions, and was then reemployed within 5 years, they could repay the contributions to the plan with interest and receive tier 1 benefit for that period.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Moss that if a plan participant was rehired after 1 year and a day, they would return to tier 2. If the participant was in tier 1 and they purchase that time back, they can buy back that period in tier 1. The motion carried unanimously.**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to ask the attorney to get the documents to the Town Administrator including information regarding the coordination of benefits. The motion carried unanimously.**

Vice Chair Ackerman wanted to clarify the Board wasn't making the change regarding rehired employees to hurt employees, as they were only complying with the Town's current policy on employees who have left the Town for a year and a day and then return as a new employee.

Mr. Levinson wanted clarification on the DROP entry date. He provided language to be added to the plan document to allow participants to enter DROP any time up to 5 years of their normal retirement date, and they could then stay in the DROP a full 5 years.

Vice Chair Ackerman mentioned there was currently a DROP participant who currently has less than 5 years for his DROP period due to the timing of when he entered. Mr. Levinson stated it would be possible to allow this participant to increase his DROP period to a full 5 year period.

## **2.6 DETERMINATION OF TOTAL EXPECTED RATE OF RETURN**

Mr. Levinson stated the state requires the board to make a determination of the expected rate of return.

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to approve 7.5% as the assumed rate of return. The motion carried unanimously.**

## **2.7 APPROVAL OF FIDUCIARY LIABILITY INSURANCE QUOTE**

Mr. Shamoun presented the quote for renewal of the fiduciary liability insurance. Mr. Levinson stated it was a fair price.

**A motion was presented by Trustee Phillips and seconded by Trustee Moss to approve the quote for the renewal of the fiduciary liability insurance policy. The motion carried unanimously.**

## **2.8 PRIVATE DUTY DETAILS**

[This item discussed during item 2.5]

Mr. Levinson brought up the topic of private duty detail and whether this was pensionable. Ms. Nesbitt spoke on this. Vice Chair Ackerman stated the union originally wanted private duty details to be pensionable but then decided they didn't want it pensionable. Mr. Levinson stated he would add to the definition of salary this private duty details was no longer pensionable.

## **3. OLD BUSINESS**

### **3.1 BIRTH CERTIFICATE FOR RETIREE**

Mr. Shamoun stated we do indeed have a copy of Mr. Hyman's birth certificate, but that it didn't have his first name on it at birth. His office also had a copy of his U.S. Passport and driver's license.

### **3.2 STATUS OF PLAN DOCUMENT**

[This item was discussed during item 2.5]

### **3.3 STATUS OF DISABILITY APPLICATION**

Mr. Levinson stated the applicant had been seen by the doctor, but his office was still awaiting a copy of the report from the doctor. He stated the Board needed to look at dates during June and July. Trustees discussed dates. June 27, 2016 10:30 a.m. was discussed as a potential date for the disability hearing.

Mr. Levinson discussed confidentiality when medical records are provided to Trustees.

## **4. PLAN ATTORNEY COMMENTS**

Mr. Levinson reminded Trustees to complete the Form 1 regarding disclosures.

## **5. PLAN ADMINISTRATOR COMMENTS**

Mr. Shamoun asked about the December meeting. Chairperson Hall stated they would simply move the location of the December meeting to the Pioneer Room, but would keep the date the same. Mr. Shamoun introduced Jeremy Langley, Account Executive.

## **6. PUBLIC COMMENTS**

Ms. Nesbit asked about the DROP process. Mr. Shamoun went through the process for the DROP. Mr. Shamoun stated he could provide an employee meeting. This would be

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES

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coordinated with Human Resources.

**7. 2016 MEETINGS – SEPTEMBER 6 & DECEMBER 6 (Pioneer Room) AT 10:00 AM.**

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion presented by Secretary Roig and seconded by Trustee Moss to adjourn at 11:59 a.m.

***FINAL MINUTES***  
***SPECIAL MEETING***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**July 18, 2016 at 10:30 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:30 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman, and Jeremy Langley, FMPTF.

**2. DISABILITY HEARING**

Mr. Levinson stated at the beginning of the meeting that since there were only 3 trustees present, then all 3 would need to make a unanimous decision if approving the disability. He stated if the disability applicant preferred all trustees be present, then the meeting could be postponed. With no one requesting a postponement, the meeting continued.

Mr. Levinson gave an overview of the confidentiality of the medical records and stated the records would be destroyed after the meeting. He then provided an overview of the documents provided to trustees and the current plan as it related to a disability benefit. He went through the medical report with trustees.

Mr. Campbell, the disability applicant, provided some additional information. He was in the process of receiving a service dog. He also provided some corrections to the IME report.

Chairperson Hall asked about positions available to the disability applicant as there was a discrepancy in the report. Mr. Levinson deferred the question to the Human Resources Director. Human Resources Director Grace Garagozzo stated that at this time there was not a position available to accommodate Mr. Campbell. Trustee Phillips asked the current status of Mr. Campbell's employment. Mr. Campbell stated he was terminated in July 2015 and that he was currently on long term disability with the Town, long term disability with the military and Social Security disability.

Mr. Levinson provided a summary to trustees and their options. He reiterated the disability must be total and permanent. Options provided were to grant the disability, require more testing, get a second IME or to encourage the Town to accommodate for the disability applicant.

Vice Chair Ackerman asked the HR Director if his disability from the Town and his Social Security disability would be offset by his pension disability. Ms. Garagozzo stated that they would be offset by his pension disability.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES

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Trustee Phillips asked if there were any other medical records other than what they were provided. Mr. Campbell provided additional information of medical treatment he had received since the medical records were provided to trustees.

Trustee Phillips stated he would like to see documents regarding Mr. Campbell's Social Security disability being granted. He also stated he would like the full board make this decision.

Vice Chair stated that based on the current plan document and the documentation provided, he didn't feel trustees couldn't approve.

Judy Nesbitt spoke on behalf of the disability applicant.

Chairperson Hall stated she felt additional information would not change anything.

**A motion was presented by Chairperson Hall and seconded by Vice Chair Ackerman to approve the disability for Wesley Campbell.**

**Roll call vote:**

<b>Chairperson Hall</b>	<b>yes</b>
<b>Vice Chair Ackerman</b>	<b>yes</b>
<b>Trustee Phillips</b>	<b>yes</b>

Mr. Levinson picked up the medical notebooks from trustees to be destroyed.

**3. PUBLIC COMMENTS**

No additional comments.

**4. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:38 a.m.

***FINAL MINUTES***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**  
**Location: TOWN COUNCIL CHAMBERS**  
**6591 Orange Drive**  
**September 6, 2016 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:13 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Giovanni Moss and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman, and Jeremy Langley, FMPTF.

**2. NEW BUSINESS**

**2.1 MINUTES JUNE 7, 2016 & JULY 18, 2016**

Vice Chair Ackerman requested clarification on the June 7, 2016 meeting regarding a part-time employee going to part-time status. He also pointed out a correction on page 3 of the June 7, 2016 minutes where it stated "Town Manager" which should be changed to "Town Administrator".

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to approve the minutes with the correction to the June 7, 2016 minutes. The motion carried unanimously.**

**2.2 QUARTERLY INVESTMENT RETURNS JUNE 30, 2016**

Mr. Langley reviewed the investment returns through June 30, 2016. The investment return for the quarter was 1.49%, the 5-year return was 6.52% and the 10-year return was 5.58%.

Mr. Levinson asked if the investment consultant could attend a future meeting for the trustees. Mr. Langley stated he would look into having someone attend.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the retirement payments and lump sum payments approved by Chairperson Hall. The motion carried unanimously.**

**2.5 MEMBER TO ENTER DROP AFTER NORMAL RETIREMENT DATE**

Mr. Levinson brought up the issue of employees who were currently interested in entering the DROP but since the new plan hadn't been adopted yet, the interested member would need to wait until the new plan was adopted.

Vice Chair Ackerman questioned this as he was under the impression the Board passed an Administrative Rule allowing members to enter the DROP within a 5-year period following their normal retirement date.

Mr. Levinson read from the current Adoption Agreement. He didn't feel there was a specific Administrative Rule allowing this.

**3. OLD BUSINESS**

**3.1 STATUS OF PLAN DOCUMENT**

Chairperson Hall mentioned she had been approached by employees of the Town who had initially chosen the option to enter the defined contribution plan but were interested in now joining the defined benefit plan. Mr. Levinson stated this would be a policy decision. Chairperson Hall would discuss this with the Town Administrator.

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to bring back sample language to Trustees related to allowing employees the election to enter the defined benefit plan after they had initially chosen to enter the defined contribution plan. The motion carried unanimously.**

Mr. Levinson distributed the proposed plan document that was sent to the Town Administrator.

**4. PLAN ATTORNEY COMMENTS**

Mr. Levinson had no additional comments.

**5. PLAN ADMINISTRATOR COMMENTS**

Mr. Langley had no additional comments.

**6. PUBLIC COMMENTS**

There were no public comments.

**7. 2016 MEETINGS –DECEMBER 6 (Pioneer Room) AT 10:00 AM.**

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion presented by Trustee Phillips and seconded by Secretary Roig to adjourn at 11:01 a.m.



**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Pioneer Room**  
**6591 Orange Drive**  
**December 6, 2016 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:10 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Giovanni Moss and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman; Jeff Blomeley, FMPTF; Patti Haffner, Asset Consulting Group; and Charles Carr, Southern Actuarial Services (by telephone).

**2. NEW BUSINESS**

**2.1 MINUTES SEPTEMBER 6, 2016**

A motion was presented by Trustee Moss and seconded by Secretary Roig to approve the minutes as presented. The motion carried unanimously.

**2.2 RATIFICATION OF INVOICE PAYMENTS**

A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

A motion was presented by Vice Chair Ackerman and seconded by Trustee Moss to approve the retirement payments and lump sum payments approved by Chairperson Hall. The motion carried unanimously.

**2.4 APPROVAL OF 2016 ACTUARIAL VALUATION**

Mr. Carr was called by telephone to participate in the meeting. Trustees were provided with preliminary data for the 2016 actuarial valuation.

A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to move latest mortality table, keep minimum required contribution rate from last year and increase payroll assumption to 5%. The motion carried unanimously.

**2.5 QUARTERLY INVESTMENT RETURNS SEPTEMBER 30, 2016**

Ms. Patti Haffner provided an overview of the investments.

**2.6 TIMING OF ASSUMPTION AND MORTALITY CHANGES RECENTLY  
APPROVED BY THE BOARD**

This item was discussed when Chuck Carr was on the phone for item 2.4. Results are documented above.

**2.7 RESOLUTION FOR PLAN DOCUMENT TRANSMITTAL**

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to forward the ordinance and plan document to the Town for next meeting from Mr. Levinson. The motion carried unanimously.**

**3. OLD BUSINESS**

**3.1 STATUS OF PLAN DOCUMENT**

This item was discussed during item 2.7.

**4. PLAN ATTORNEY COMMENTS**

Mr. Levinson discussed the changes to the mortality tables made by the FRS and also discussed that the FRS had been in discussions to lower the assumed rate of return to 7.0%. The FRS made a compromise to lower the rate from 7.65% to 7.6% with the intention to continue a glide path to 7.0%.

Secondly, Mr. Levinson agreed to forward the ordinance and plan document to the Town for their meeting in January.

**5. PLAN ADMINISTRATOR COMMENTS**

Mr. Blomeley had no additional comments.

**6. PUBLIC COMMENTS**

There were no public comments.

**7. 2017 MEETINGS – APPROVAL OF 2017 MEETING DATES**

**8. ADJOURNMENT**

With there being no further business to discuss, there was a motion presented by Trustee Phillips and seconded by Secretary Roig to adjourn at 11:55 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Council Chambers**  
**6591 Orange Drive**  
**March 7, 2017 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:05 a.m.

Present at the meeting were Vice Chairman William Ackerman, Trustee Giovanni Moss and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman; Jeff Blomeley, FMPTF; and Charles Carr, Southern Actuarial Services (by telephone).

**A motion was presented by Trustee Phillips and seconded by Trustee Moss to excuse Chairperson Hall's absence from the meeting. The motion carried unanimously.**

**2. NEW BUSINESS**

**2.1 CHUCK CARR – ACTUARIAL MATTERS AND COORDINATION OF BENEFITS**

Mr. Levinson introduced this discussion regarding separate benefit statements for those participants who have both General benefits and Management benefits.

Mr. Chuck Carr joined the meeting by telephone.

Mr. Carr provided an overview of how the 2 different benefit statements were calculated. He also spoke about how those participants could purchase the higher Management benefit for their General employment period.

Trustees discussed service purchase calculations with Mr. Carr.

**2.2 MINUTES DECEMBER 6, 2016**

**A motion was presented by Trustee Phillips and seconded by Trustee Moss to approve the minutes as presented. The motion carried unanimously.**

**2.3 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Trustee Phillips and seconded by Trustee Moss to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Trustee Phillips and seconded by Trustee Moss to approve the retirement payments approved by Chairperson Hall. The motion carried unanimously.**

**2.5 QUARTERLY INVESTMENT RETURNS DECEMBER 31, 2016**

Mr. Blomeley reviewed the investment returns through December 31, 2016. The investment return for the quarter was 1.66%, the 5-year return was 7.93% and the 10-year return was 5.19%.

**3. OLD BUSINESS**

**3.1 STATUS OF PLAN DOCUMENT**

Mr. Levinson stated the Town Council had adopted the plan.

Vice Chair Ackerman stated the Summary Plan Descriptions would need to be updated.

**4. PLAN ATTORNEY COMMENTS**

Mr. Levinson stated the Florida Legislature was in session.

**5. PLAN ADMINISTRATOR COMMENTS**

Mr. Blomeley had no additional comments.

**6. PUBLIC COMMENTS**

There were no public comments.

Trustee Phillips requested an item be added to next meeting regarding service purchase calculations. He wanted to discuss the fee and the possibility of having the Plan absorb some of the cost.

**7. 2017 MEETINGS – JUNE 6, SEPTEMBER 5 & DECEMBER 5 AT 10: 00 A.M.**

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:10 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Pioneer Room**  
**6591 Orange Drive**  
**June 6, 2017 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:04 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Giovanni Moss and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman and Jeff Blomeley, FMPT.

**2. NEW BUSINESS**

**2.1 MINUTES MARCH 7, 2017**

A motion was presented by Vice Chairman Ackerman and seconded by Trustee Phillips to approve the minutes as presented. The motion carried unanimously.

**2.3 RATIFICATION OF INVOICE PAYMENTS**

A motion was presented by Trustee Phillips and seconded by Trustee Moss to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.

**2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

A motion was presented by Trustee Phillips and seconded by Vice Chairman Ackerman to approve the retirement payment approved by Chairperson Hall. The motion carried unanimously.

**2.4 QUARTERLY INVESTMENT RETURNS MARCH 31, 2017**

Mr. Blomeley reviewed the investment returns through March 31, 2017. The investment return for the quarter was 4.84%, the fiscal year to date was 6.59%, the 5-year return was 7.44% and the 10-year return was 5.54%.

**2.5 APPROVAL OF REVISED SUMMARY PLAN DESCRIPTIONS**

The revised Summary Plan Descriptions were presented to Trustees.

A motion was presented by Secretary Roig and seconded by Vice Chairman Ackerman to approve the revised Summary Plan Descriptions. The motion carried unanimously.

## **2.6 DISCUSSION OF SERVICE PURCHASE CALCULATION COST TO EMPLOYEES**

Trustee Phillips brought up the discussion regarding the cost of service purchase calculations. He requested the board/pension plan to pick up a portion of the cost. Vice Chairman Ackerman requested a template from the actuary so participants could get an idea of how much the service purchase would cost ahead of time. Chairperson Hall questioned the liability of this. Mr. Blomeley said he would talk to the actuary about this. Secretary Roig was concerned with the liability as well and didn't feel the board/pension plan should absorb any of the cost. Chairperson Hall requested this to be placed on the next agenda for discussion.

## **3. PLAN ATTORNEY COMMENTS**

Mr. Levinson discussed special session for the Legislature. There were no pension bills this year. He discussed the changes to the Florida Retirement System. He mentioned the plan received a public records request and the plan complied quickly. The public records request was for the investment reports of the pension fund. He also mentioned the investment report received in the agenda packet was shortened. He asked Trustees if they would prefer the full report. He also mentioned there was a bill about public records requests.

## **4. PLAN ADMINISTRATOR COMMENTS**

Mr. Blomeley discussed the shortened investment report and asked Trustees which report they would prefer. Chairperson Hall stated she would prefer the longer version. Mr. Blomeley stated they would provide the longer version in the future. He stated real estate would be added to the portfolio. It would be 10% that would come from fixed income. He would bring the study at the September meeting. This would be core real estate. Morgan Stanley would be the manager. The new fund would help in performance, diversification and would lower volatility. Chairperson Hall requested this be placed on the next agenda.

Secretary Roig stated that her position, Chairperson Hall and Vice Chair Ackerman's positions would be up in August and there would be an election. Trustee Phillips and Giovanni's positions would be up next year. The terms would change to 4 years.

Chairperson Hall asked if the plan document would be sent to the membership. Secretary Roig stated she would work on placing the document on the website.

## **5. PUBLIC COMMENTS**

There were no public comments.

## **6. 2017 MEETINGS –SEPTEMBER 5 & DECEMBER 5 AT 10: 00 A.M.**

**7. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:45 a.m.

***FINAL MINUTES***  
***SPECIAL MEETING***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: *PIONEER ROOM***  
**6591 Orange Drive**  
**August 8, 2017 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:05 p.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Trustee John Phillips and Secretary Roig. Also present were Adam Levinson, Klausner & Kaufman, and Jeremy Langley, FMPTF.

**2. INTERPRETATION AND DISCUSSION ON ARTICLE 3 – 3.01 BOARD OF TRUSTEE TERMS**

Mr. Levinson discussed section 3.01 (A) of the plan regarding trustee terms.

**A motion was presented by Secretary Roig and seconded by Vice Chairman Ackerman for all terms beginning with the next election to be for 4 years. The motion carried unanimously.**

**A motion was presented by Vice Chairman Ackerman and seconded by Secretary Roig to amend the motion to follow the current election cycle. The motion carried unanimously.**

**3. CODIFICATION, PRINTING AND DISTRIBUTION OF NEW PLAN DOCUMENT TO ALL MEMBERS**

Chairperson Hall wanted to make sure the plan document was distributed to all members. There was a discussion of how the document would be made available to all employees. Chairperson Hall would follow up with Grace Garagozzo to ensure it is made available to members.

**4. LEGISLATIVE UPDATE**

Mr. Levinson provided an overview of SB 80 regarding public records, SB 1108 regarding public records exemption for retired firefighters, SB 7022 omnibus FRS bill, HB 455 disabled public safety property tax exemption, HB 305 body camera bill and HB 7101 proposed additional \$25,000 homestead exemption.

Mr. Levinson reminded trustees of the Form 1 disclosures.

Vice Chair Ackerman stated he heard from Daniele Graydon in Human Resources and she stated she provides a 2-page form to new employees detailing the pension plan, but it isn't



MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES

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the SPD. Chairperson Hall requested a copy of what was distributed. Vice Chair Ackerman stated he would request Ms. Graydon to send a copy to the board.

Trustee Phillips stated he would like for there to be another presentation for employees on the retirement plan. Chairperson Hall would add this to the next meeting agenda for discussion.

Vice Chair Ackerman confirmed the Summary Plan Descriptions were on the website but not the plan document.

**5. PUBLIC COMMENTS**

**6. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 2:43 p.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Council Chambers**  
**6591 Orange Drive**  
**September 5, 2017 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:07 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Giovanni Moss and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman and Jeff Blomeley, FMPT.

**2. NEW BUSINESS**

**2.1 SWEARING IN OF TRUSTEES**

Trustees Grace Hall, William Ackerman and Evelyn Roig were sworn in.

**2.2 MINUTES JUNE 6, 2017 & SPECIAL MEETING AUGUST 8, 2017**

Vice Chair Ackerman provided a change to the June 6, 2017 minutes on page 2 #4: 3 years should be changed to 4 years.

**A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to approve the minutes with the correction above. The motion carried unanimously.**

**2.3 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Moss to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to approve the retirement payments and lump sum distributions approved by Chairperson Hall. The motion carried unanimously.**

**2.5 QUARTERLY INVESTMENT RETURNS JUNE 30, 2017**

Mr. Blomeley reviewed the investment returns through June 30, 2017. The investment return for the quarter was 3.18%, the fiscal year to date was 9.97%, the 5-year return was 8.48% and the 10-year return was 5.54%.

## **2.6 PENSION QUESTION REGARDING INSURANCE**

Mr. Levinson spoke regarding fiduciary liability insurance.

He also spoke about DROP participants and their status on insurance from the Town. He stated their DROP status shouldn't affect their insurance status, but that this would be a question for the Human Resources Department.

## **2.7 PENSION QUESTION REGARDING DROP**

Mr. Levinson stated the plan was for full-time employees only. If a DROP participant went to part-time status, they would cease their DROP status.

Trustee Phillips had a question about the effect of future raises after going into DROP. Mr. Levinson stated a DROP participant was considered retired and future pay increases would not affect their benefit as the benefit was already set.

Trustee Phillips asked if participants could purchase past service years for vesting. Mr. Levinson stated the plan could be amended to allow for this but it currently wasn't allowed. Trustee Phillips mentioned Mr. Halverson had a calculation for vesting.

## **2.8 SETTING A DATE FOR AN EMPLOYEE MEETING**

Mr. Blomeley mentioned his office would like to do a presentation for employees. Chairperson Hall stated she would get with Laura Underhill to work out a date for the meeting.

# **3. OLD BUSINESS**

## **3.1 SERVICE PURCHASE CALCULATIONS**

Mr. Blomeley stated there was a spreadsheet provided by the actuary showing different scenarios of service purchase amounts. Vice Chair Ackerman questioned whether the scenarios were for tier 1 or tier 2. Mr. Blomeley stated he would get back with the actuary to provide scenarios for both tier 1 and tier 2.

## **3.2 NEW FUNDS – REAL ESTATE & EMERGING MARKETS**

*This item was discussed immediately after item 2.5 above.*

Mr. Blomeley stated there would be 2 new additions. The emerging markets manager would be included in the international fund. 10% of the international fund would be moved to emerging markets. They would also be adding a core real estate fund. This fund would be slower to implement. This fund could take 6-9 months before being invested. The core real estate fund would consist of office buildings and multi-family buildings in major metropolitan areas. The emerging markets fund should be invested on October 1<sup>st</sup>.

Vice Chair Ackerman questioned what the new “60/40” plan would be called. Mr. Blomeley stated it would now be called the “60 equity” plan.

Mr. Blomeley would send out the asset allocation study to the board.

**4. PLAN ATTORNEY COMMENTS**

Mr. Levinson mentioned the Form 1 disclosures and the memo sent out by of his office regarding the legislature.

**5. PLAN ADMINISTRATOR COMMENTS**

Mr. Blomeley mentioned his office needed approval from the board to have the 2017 actuarial valuation prepared.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to allow for the 2017 actuarial valuation to be prepared. The motion carried unanimously.**

**6. PUBLIC COMMENTS**

There were no public comments.

**7. 2017 MEETINGS –DECEMBER 5 AT 10: 00 A.M.**

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:52 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Pioneer Room**  
**6591 Orange Drive**  
**December 5, 2017 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:07 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Trustee Giovanni Moss and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman; Jeff Blomeley, Jeremy Langley and Laura Underhill, FMPT.

**A motion was presented by Trustee Moss and seconded by Vice Chair Ackerman to excuse Secretary Roig's absence. The motion carried unanimously.**

Chairperson Hall mentioned the board needed to have an election for Chairperson, Vice Chair and Secretary. Mr. Levinson stated this could be placed on the next agenda.

**2. NEW BUSINESS**

**2.1 MINUTES SEPTEMBER 5, 2017**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the minutes as presented. The motion carried unanimously.**

**2.2 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Moss to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Moss to approve the retirement payments and lump sum distributions approved by Chairperson Hall. The motion carried unanimously.**

**2.4 QUARTERLY INVESTMENT RETURNS SEPTEMBER 30, 2017**

Mr. Blomeley reviewed the investment returns through September 30, 2017. The investment return for the quarter was 3.15%, the fiscal year to date was 13.44%, the 5-year return was 8.30% and the 10-year return was 5.64%.

**2.5 APPROVAL OF 2018 MEETING DATES**

There were no conflicts for the dates that were provided.

## **2.6 APPROVAL OF 2017 ACTUARIAL VALUATION**

Mr. Carr was called in to the meeting and he provided an overview of the 2017 actuarial valuation.

**A motion was presented by Trustee Moss and seconded by Trustee Phillips to approve the 2017 actuarial valuation. The motion carried unanimously.**

## **2.7 DETERMINATION OF TOTAL EXPECTED RATE OF RETURN**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Moss to set the total expected rate of return at 7.5%. The motion carried unanimously.**

## **2.8 TERM-VESTED PARTICIPANT UNLOCATED**

Trustees were notified of a terminated-vested participant, Taso Stavrakis, who the League has been unable to locate. His benefit was due to begin on August 1, 2017.

## **2.9 ATTORNEY FEES**

Mr. Levinson advised of the change in the hourly rate of attorney fees to \$335 per hour.

**A motion was presented by Trustee Phillips and seconded by Trustee Moss to approve the attorney's fees at \$335 per hour. The motion carried at 3-1 with Vice Chair Ackerman dissenting.**

## **2.10 EMPLOYEES WHO EXIT PLAN BUT STILL EMPLOYED BY THE TOWN**

Mr. Levinson discussed this issue. There was a member in the plan who was promoted to a police officer, so they were no longer in the plan. The question was what happens to the contributions. Mr. Levinson stated that since there is not a coordination of benefits, then the contributions simply stay in the plan. There was then a discussion on how the interest would accrue for this member. This topic would be brought back to the next meeting.

## **2.11 STATUS OF EMPLOYEES WHO MOVE TO PART-TIME & ARE ELIGIBLE FOR NORMAL RETIREMENT**

Mr. Levinson discussed in-service distributions with Trustees. Mr. Levinson would review and bring this back to the next meeting.

**2.12 INTEREST ON DROP PARTICIPANT'S FINAL MONTH**

*This item was discussed immediately after item 2.2.*

The League was requesting direction from the Board of Trustees whether to provide interest for Patrick Lynn in September for his final month in the DROP as his final day on the books was September 29<sup>th</sup>, not the final day of the month. This was the first time this issue occurred, so guidance from the Board of Trustees was requested.

**A motion was presented by Trustee Moss and seconded by Trustee Phillips to prorate interest for Patrick Lynn through September 29<sup>th</sup>. The motion carried at 3-1 with Vice Chair Ackerman dissenting.**

Trustees also requested to have a discussion of creating an Administrative Rule regarding prorating on the final month of DROP added to the next agenda.

**3. OLD BUSINESS**

**3.1 SERVICE PURCHASE EXAMPLES PROVIDED BY ACTUARY**

Mr. Blomeley stated the actuary provided service purchase examples for employees to use as a guide when considering purchasing service.

**4. PLAN ATTORNEY COMMENTS**

No additional comments.

**5. PLAN ADMINISTRATOR COMMENTS**

No additional comments.

**6. PUBLIC COMMENTS**

There were no public comments.

**7. 2018 MEETINGS –MARCH 6, JUNE 5, SEPTEMBER 4 & DECEMBER 4 AT 10:00 A.M.**

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 12:25 p.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Council Chambers**  
**6591 Orange Drive**  
**March 6, 2018 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:02 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Roig, Trustee Giovanni Moss and Trustee John Phillips. Also present were Adam Levinson, Klausner & Kaufman; Jeremy Langley, FMPT.

**2. NEW BUSINESS**

**2.1 ELECTION OF CHAIR & SECRETARY**

**A motion was presented by Trustee Phillips and seconded by Trustee Moss to elect Grace Hall as Chair. The motion carried unanimously.**

**A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to nominate Evelyn Roig as Secretary. The motion carried unanimously.**

**2.2 MINUTES DECEMBER 5, 2017**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Moss to approve the minutes as presented. The motion carried unanimously.**

**2.3 RATIFICATION OF INVOICE PAYMENTS**

Vice Chair Ackerman had a question about the October bill from Klausner, Kaufman, Jensen & Levinson regarding a police officer. Mr. Levinson stated he believed it had to do with a police officer coming into the plan, but that he would investigate and report back at the next meeting.

Chairperson Hall had a question about the February bill from Klausner, Kaufman, Jensen & Levinson regarding the Ethics Commission. Mr. Levinson gave a brief overview of a trustee who was late in filing his Form 1. Secretary Roig spoke of her concerns of the trustee retaining services from the pension attorney as this was using tax payers' funds. Mr. Levinson stated if the Board was uncomfortable paying the bill, then his office would take away the charge. Vice Chair Ackerman stated he wanted to make sure the Town Administrator was aware of the situation. Trustee Moss spoke up and stated it was his responsibility and would incur the costs if



needed. Mr. Levinson stated the charges for these services would be written off and a new bill would be sent out.

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Trustee Phillips and seconded by Evelyn Roig to approve the retirement payments and lump sum distributions approved by Chairperson Hall. The motion passed 4-1 with Vice Chair Ackerman opposing.**

## **2.5 QUARTERLY INVESTMENT RETURNS DECEMBER 31, 2017**

Mr. Langley reviewed the investment returns through December 31, 2017. The investment return for the quarter was 3.67%, the 3-year return was 7.35%, the 5-year return was 8.84% and the 10-year return was 6.06%.

Mr. Langley stated there would be a shift to 50/50 in the fixed income if this is approved by the FMPTF Board of Trustees at their meeting the following week.

## **2.6 DISCUSSION OF ADMINISTRATIVE RULE FOR FINAL MONTH OF DROP PRORATING INTEREST**

Mr. Levinson provided a copy of the administrative rule to all trustees regarding prorating interest on DROP participants who terminate employment prior to the last day of the month.

Chairperson Hall requested if this change was made, then the language be included on the DROP application so participants would be aware of this when they enter the DROP.

Mr. Levinson stated he would make some changes and email it to the Administrator for adoption at the next meeting.

## **2.7 DISCUSSION OF INTEREST FOR MEMBERS WHO TRANSFER TO ANOTHER PLAN – WHEN DOES INTEREST STOP?**

Mr. Levinson provided an overview of employees who move to a different plan. He stated they may come back into the plan in the future. He stated the Plan could not pay the employee their employee contributions until they separated from service from the Town. He pointed out 9(a)(1) and 9 (a)(3) in the Plan. He recommended continuing interest throughout their employment with the Town. Vice Chair Ackerman stated he felt it was clear the interest accrues through their employment period.

**3. PLAN ATTORNEY COMMENTS**

Mr. Levinson spoke of bills that are not going anywhere in pension legislation.

Vice Chair Ackerman spoke about employees going from full-time to part-time status who were of retirement age. He asked if they could begin their retirement benefit. Mr. Levinson stated this would be on a future agenda for discussion.

**4. PLAN ADMINISTRATOR COMMENTS**

No additional comments.

**5. PUBLIC COMMENTS**

There were no public comments.

Chairperson Hall reminded trustees of the upcoming member meetings provided by the Florida League of Cities the following week.

**6. 2018 MEETINGS – JUNE 5, SEPTEMBER 4 & DECEMBER 4 AT 10:00 A.M.**

**7. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:06 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Pioneer Room**  
**6591 Orange Drive**  
**June 5, 2018 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:06 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Roig and Trustee John Phillips. Also present were Anna Klausner Parish, Klausner & Kaufman; Jeremy Langley, FMPT.

**2. NEW BUSINESS**

**2.1 MINUTES MARCH 6, 2018**

Vice Chair Ackerman clarified two questions: (1) on page 2, 2.3 discussion and (2) page 4, there was a question about an employee going from full time to part time status about whether or not they could begin receiving a pension. He stated they still need a follow up from the attorney's office on these 2 items.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the minutes as presented. The motion carried unanimously.**

**2.2 RATIFICATION OF INVOICE PAYMENTS**

Vice Chair Ackerman had a question on the invoice on page 8. He asked if the charges would be waived. Chairperson Hall mentioned this was a revised bill and the Form 1 charges had been waived as they were zeroed out on the invoice. He then asked about page 10 and Chairperson Hall stated the charges were fine.

**A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to approve the lump sum distributions approved by Chairperson Hall. The motion carried unanimously.**

**2.4 QUARTERLY INVESTMENT RETURNS MARCH 31, 2018**

Mr. Langley mentioned the changes to the FMPTF Investment Policy. Previously there was a 5% variance and there was now a 10% variance to allow for more

flexibility. He mentioned the Core Real Estate Fund had made the call for \$25 million in assets. He stated more funds should be going the end of June.

Mr. Langley reviewed the investment returns through March 31, 2018. The investment return for the quarter was (0.19)%, the fiscal year to date return was 3.47%, the 3-year return was 6.43%, the 5-year return was 7.59% and the 10-year return was 6.46%.

## **2.5 EMPLOYEE REQUESTING MEMBERSHIP IN THE PLAN**

Ms. Judy Nesbitt spoke about when the union members were allowed in the plan 2006. She spoke about Ms. Dottie Ross and how Ms. Ross thought she had originally chosen the Defined Benefit Plan when provided with the option. Ms. Nesbitt stated there was no record of Ms. Ross opting out of the Defined Benefit Plan.

Ms. Constance Moreau was sworn in to speak on behalf of Ms. Dottie Ross. Ms. Moreau stated Ms. Ross didn't have any recollection of opting out of the Defined Benefit Plan. Ms. Moreau was requesting that the records be found. If the form could not be found, then Ms. Ross was requesting membership into the Defined Benefit Plan. Ms. Ross would also be requesting a calculation done to retroactively put her in the plan back to 2006 and if the calculation determined the required amount was more than what was in her Defined Contribution Plan, that the Town would make up the difference. Chairperson Hall stated there was a similar situation about 5 years back and the employee was solely responsible for the purchase. Secretary Roig wanted clarification that the form was not in possession. HR Director Grace Garagozzo stated they could not find it. Ms. Nesbitt stated there was a lot of confusion in the Defined Benefit and Defined Contribution plans. Secretary Roig requested an audit. Vice Chair Ackerman would work with his staff on going through the forms. Trustee Phillips would like to set up an opportunity for those who are in the 401a to join the Defined Benefit Plan. Chairperson Hall stated this could be a later discussion.

**A motion was presented by Secretary Roig and seconded by Trustee Phillips to table this item for the September meeting following an audit on all employees and their forms where they made their option. The motion carried unanimously.**

## **2.6 QUESTION REGARDING PURCHASING SERVICE DURING DROP PERIOD**

Ms. Parish stated that under the plan this would be allowable, but would be up to the Board to make the determination, and the participant could purchase up to 5 years of service. Vice Chair Ackerman and Trustee Phillips thought this was clear and no policy or motion was needed.

## **2.7 LETTER TO TOWN ADMINISTRATOR**

Chairperson Hall introduced Anna Klausner Parish from Klausner & Kaufman.

## **2.8 FIDUCIARY LIABILITY INSURANCE RENEWAL APPLICATION**

Chairperson Hall stated the insurance needed to be renewed and she wanted to make sure the Board was aware of the application before she signed it.

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to approve the application to renew the fiduciary liability insurance. The motion carried unanimously.**

## **2.9 OPEN MANAGERIAL TRUSTEE POSITION**

Chairperson Hall stated there was a vacancy on the Board and for the temporary replacement, the Board can nominate someone. Chairperson Hall stated she asked Jeff in Parks & Recreation if he was interested. Vice Chair Ackerman stated they were only looking for a short term position since the election would occur in September for the managerial vacancy. Vice Chair Ackerman stated that since it would be short term, he would like to nominate someone who already attended the meetings.

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to nominate Grace Garagozzo to fill the managerial vacancy until the election in September. The motion carried unanimously.**

## **3. OLD BUSINESS**

### **3.1 DISCUSSION OF ADMINISTRATIVE RULE FOR FINAL MONTH OF DROP PRORATING INTEREST**

Ms. Parish provided an overview of the administrative rule that was provided to Trustees.

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to approve the administrative rule on the final month of DROP and prorating of interest. The motion carried unanimously.**

## **4. PLAN ATTORNEY COMMENTS**

Ms. Parish spoke about Form 1 and that each individual should send them out. Secretary Roig stated that she filed the Form 1 for everyone. Ms. Parish then spoke about the Sunshine Law memo. She stated it was important to not “reply to all” on emails. Secretary Roig stated not to reply to all for any circumstance, only reply to the person who sent the email to be safe.

## **5. PLAN ADMINISTRATOR COMMENTS**

No additional comments.

**6. PUBLIC COMMENTS**

There were no public comments.

Chairperson Hall wanted clarification on who would perform the audit on the employees' option forms for the pension plan. Vice Chair Ackerman stated his office would perform the audit.

Vice Chair Ackerman wanted clarification on who would attend the future board meetings as pension attorney. Ms. Parish stated it will typically be Robert Klausner. Vice Chair Ackerman also requested to know who would attend as Administrator. Mr. Langley stated he would be the one attending unless there was a scheduling conflict and in that case it would be Jeff Blomeley.

**7. 2018 MEETINGS –SEPTEMBER 4 & DECEMBER 4 AT 10:00 A.M.**

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:16 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Pioneer Room**  
**6591 Orange Drive**  
**September 4, 2018 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:06 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Trustee Grace Garagozzo and Trustee John Phillips. Also present were Anna Klausner Parish, Klausner & Kaufman; Jeremy Langley, FMPT.

Secretary Roig's absence was excused due to illness.

**2. NEW BUSINESS**

**2.1 MINUTES JUNE 5, 2018**

Vice Chair Ackerman had a correction in 2.9 where it showed Parks & Recreation. Chairperson Hall had a correction in 2.5 where it discussed the HR director.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the minutes as presented. The motion carried unanimously.**

**2.2 RATIFICATION OF INVOICE PAYMENTS**

Vice Chair Ackerman had a question on the invoice on page 43. He was questioning why John Pompilio's calculation was listed as he was a retiree from a while back. Mr. Langley stated he would check on this.

**A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to approve the lump sum distributions approved by Chairperson Hall. The motion carried unanimously.**

**2.4 QUARTERLY INVESTMENT RETURNS JUNE 30, 2018**

Mr. Langley provided an update on the Core Real Estate fund that it was now 100% funded. He also mentioned the fixed income was now 50% Broad Market and 50% Core Plus.

Mr. Langley reviewed the investment returns through June 30, 2018. The investment return for the quarter was 0.49%, the fiscal year to date return was 3.98%, the 3-year return was 6.57%, the 5-year return was 7.60% and the 10-year return was 6.72%.

Trustees Grace Garagozzo and John Phillips were sworn in.

## **2.5 DISABILITY APPLICANT AFTER TERMINATION OF EMPLOYMENT**

Chairperson Hall provided an overview of her being contacted by Sheila Preston regarding a disability application. She was not currently employed by the Town.

Ms. Klausner Parish stated an “employee” could apply but a terminated participant was no longer considered an “employee”. She stated that unless the plan specifically stated it, the applicant would have to be an active employee in the Plan. Chairperson Hall stated she would like a letter to be mailed to Ms. Preston. Ms. Klausner Parish stated she would prepare a letter.

## **3. OLD BUSINESS**

### **3.1 EMPLOYEE REQUESTING MEMBERSHIP IN THE PLAN**

Vice Chair Ackerman stated Raquel Gray in his office looked up all employees in the 401a plan and there were 31. There were 12 employees where the form could not be located. Ms. Gray forwarded the list to HR to see what they had in their records. There was nothing on record for Ms. Ross, who was requesting membership. Chairperson Hall stated she would be okay with having Ms. Ross purchase the service herself. Vice Chair Ackerman stated he would not be in support of allowing Ms. Ross to enter the Plan.

Ms. Constance Moreau (current active participant in the Plan) was sworn in to speak on behalf of Mr. Ross. She stated Ms. Ross was willing to transfer all her 401a funds into the defined benefit plan to purchase the service. If there was a discrepancy, Ms. Ross was requesting the board to cover the difference. Ms. Klausner Parish stated the board could not cover the cost of the difference. If the board chose to allow her to join, Ms. Ross would need to make the purchase herself. Vice Chair Ackerman mentioned that Ms. Ross was in a union position and this may need to be negotiated for in the next contract. Trustee Garagozzo stated they were currently in contract negotiations. Ms. Klausner Parish stated if this needed to be bargained for, this may need to occur during negotiations. Trustee Phillips stated this shouldn’t have anything to do with negotiations. The only consideration was whether or not she was notified properly in the past. Before a decision could be made, Ms. Klausner Parish would check to make sure the Board could decide on this. She would begin working on this, and nothing would be voted on until the next board meeting. In the meantime, Ms. Ross would be provided with the sample scenarios of service purchase costs to get a general idea of how much it would cost.



**3.2 DROP APPLICATION, CHANGE IN LANGUAGE DUE TO CHANGE IN INTEREST DURING FINAL MONTH**

Trustees reviewed the language. The language was already approved at the last meeting.

**4. PLAN ATTORNEY COMMENTS**

Ms. Klausner Parish stated she would write a letter to Sheila Preston regarding the disability application. Vice Chair Ackerman spoke about an employee who separated from service and began receiving a retirement benefit, and then returned as a part-time employee. He asked what would happen. Ms. Klausner Parish stated she would investigate.

Chairperson Hall discussed the recent election. She wanted to receive a list of participants in the future from the Administrator. Chairperson Hall would like a list of all active, DROP, terminated-vested and retirees in January. She received an email from Mr. Richard Bernie (current DROP participant) who proposed that a retiree be placed on the board of trustees. Ms. Klausner Parish would like to update the election procedures so it would be clear who was eligible to vote.

Chairperson Hall stated she understood some departments didn't send out elections, so she was asking for clarification. Gillian Brewster, Assistant Town Clerk, clarified this was taken care of.

**5. PLAN ADMINISTRATOR COMMENTS**

No additional comments.

**6. PUBLIC COMMENTS**

There were no public comments.

**7. 2018 MEETINGS – DECEMBER 4 AT 10:00 A.M.**

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:18 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Pioneer Room**  
**6591 Orange Drive**  
**December 4, 2018 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:03 a.m.

Present at the meeting were Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee John Phillips. Also present were Anna Klausner Parish, Klausner & Kaufman; Jeremy Langley and Laura Underhill, FMPT.

Chairperson Hall was absent due to medical reasons.

**A motion was presented by Secretary Roig and seconded by Trustee Phillips to excuse Chairperson Hall's absence. The motion carried unanimously.**

**2. NEW BUSINESS**

**2.1 MINUTES SEPTEMBER 4, 2018**

Trustee Garagozzo and Vice Chair Ackerman provided changes due to clerical errors.

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to approve the minutes with the corrections. The motion carried unanimously.**

**2.2 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Trustee Phillips and seconded by Trustee Garagozzo to approve the lump sum distributions and monthly retirement benefits approved by Chairperson Hall. The motion carried unanimously.**

**2.4 QUARTERLY INVESTMENT RETURNS SEPTEMBER 30, 2018**

Mr. Langley reviewed the investment returns through September 30, 2018. The investment return for the quarter was 3.32%, the fiscal year to date return was 7.43%, the 3-year return was 9.63%, the 5-year return was 7.41% and the 10-year return was 7.79%.

**2.5 APPROVAL OF THE 2018 ACTUARIAL VALUATION**

Mr. Langley provided an overview of the 2018 actuarial valuation.

**A motion was presented by Trustee Gagagozzo and seconded by Secretary Roig to approve the 2018 actuarial valuation. The motion carried unanimously.**

**2.6 RECORDS MANAGEMENT LIAISON OFFICER (RMLO) DESIGNATION**

Ms. Klausner Parish provided an overview of the requirement for the Board to designate someone to be the Records Management Liaison Officer (RMLO) for the Board. She stated the form would need to be signed and emailed to the email address on the form. Ms. Underhill stated she would take care of this.

**A motion was presented by Secretary Roig and seconded by Trustee Phillips to designate the Florida League of Cities as the Records Management Liaison Officer (RMLO) for the Plan. The motion carried unanimously.**

**2.7 PENSION BENEFITS INCLUDING SNAPSHOT BALANCES**

Vice Chair Ackerman clarified how the snapshot balances were calculated in pension benefits.

**2.8 IRS REGULATIONS ON ANNUAL MAXIMUM PENSION BENEFIT AMOUNT**

Vice Chair Ackerman clarified the pension for IRS purposes was calculated on a fiscal year basis.

**2.9 BOARD APPROVAL FOR FPPTA ANNUAL MEMBERSHIP DUES OF \$600**

**A motion was presented by Trustee Phillips and seconded by Trustee Garagozzo to approve payment of the FPPTA annual membership dues from the pension fund. The motion carried unanimously.**

**3. OLD BUSINESS**

**3.1 EMPLOYEE REQUESTING MEMBERSHIP IN THE PLAN**

Ms. Klausner Parish provided a memo to Trustees answering questions that were asked at the previous meeting.

Ms. Elmira Nesbitt was sworn in to speak on behalf of Ms. Ross. Ms. Nesbitt asked about Ms. Ross's contributions in her 401(a) plan. There was a discussion of what contributions were being made into her 401(a) plan and whether she could use those funds to purchase time if she were allowed to enter the Defined Benefit Plan. There was discussion that Ms. Ross should be able to use her 401(a) funds to purchase service in the Defined Benefit Plan. Vice Chair Ackerman stated he spoke with Ms. Ross and would be consistent and vote against allowing her to enter the Plan. Vice Chair Ackerman felt this was a situation for the Town and the Union to negotiate. He stated the Town was currently going through contract negotiations. He felt she should have known she was in the 401(a) Defined Contribution Plan. Ms. Nesbitt spoke of the inconsistencies and changes that took place in Administration. She felt the Board should be able to make this decision. Ms. Nesbitt spoke of the Voya representative who handles the 401(a) Defined Contribution Plan. Trustee Garagozzo stated she spoke to Mr. Sherman, the Voya representative, and Mr. Sherman stated he would go on record that when he spoke to employees he told employees this was not the Town's pension plan and that it was a 401(a) Defined Contribution Plan. He also stated he shared that with Ms. Ross. Trustee Roig stated she had concerns and felt the Town needed to negotiate with the Union on this issue. Trustee Roig had concerns about why Ms. Ross didn't ask about the envelopes that were being distributed to employees. She felt the lapse of time was a concern. Trustee Phillips spoke of his concerns with the time lapse, how Ms. Ross met with the representatives from the 401(a) Defined Contribution Plan and other concerns with the Union. He stated he wanted everyone to have the opportunity to join the Plan. He felt when someone comes into plan, it makes the Plan stronger. He felt it wouldn't affect the plan in a negative way if Ms. Ross joined the Plan. He asked how many more employees there were that didn't have a signed election form. Vice Chair Ackerman stated there were 12 or 13. Ms. Nesbitt stated they needed to move forward. She asked what would happen to those 12 employees. Trustee Phillips stated that since there was no record of her signing, that this was concerning to him. He stated he had spoken to Ms. Ross and that he would be in favor of her joining the Plan as she would be using her 401(a) funds.

**A motion was presented by Trustee Phillips to allow Ms. Ross to join the Plan. There was no second so the motion died.**

Vice Chair Ackerman stated he couldn't support this motion today. He stated if it was negotiated at contract negotiations and came back to the Board, then he would be supportive. Secretary Roig felt this needed to be addressed once and for all for these 12 or 13 employees who didn't have signed forms. She felt there was poor documentation and that it needed to be addressed.

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to deny Ms. Ross's request to join the Plan. The motion carried unanimously.**

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Ms. Klausner Parish stated she would prepare a written final order to Ms. Ross and Ms. Ross would have the opportunity to appeal.

Ms. Nesbitt requested clarification regarding what would need to be included in contract negotiations.

### **3.2 MEMO REGARDING PART-TIME EMPLOYEES**

Ms. Klausner Parish addressed the memo presented to Trustees where employees need to be full-time to be in the Plan. Vice Chair Ackerman asked if a full time employee who switched to part time could begin collecting a retirement benefit. Ms. Klausner Parish stated a retiree couldn't receive a pension and work at the same time. She stated she wasn't sure if the Plan allowed for someone to be rehired after retirement and that she would research this.

## **4. PLAN ATTORNEY COMMENTS**

Ms. Klausner Parish had no additional comments. She stated the Board doesn't have the authority to do the things Ms. Nesbitt was requesting and that these items needed to be bargained for with the Union.

## **5. PLAN ADMINISTRATOR COMMENTS**

Ms. Underhill mentioned they had member meetings last March and was asking the Board if they wanted to do this in March 2019 again. This was discussed and Ms. Underhill would work with Trustee Garagozzo on potential dates.

Mr. Langley spoke about the September 2019 meeting and would like to move that meeting date forward a week.

## **6. PUBLIC COMMENTS**

There were no public comments.

7. **2019 MEETINGS** – Meeting dates for 2019 were presented:  
Tuesday, March 5 at 10:00 a.m.  
Tuesday, June 4 at 10:00 a.m.  
Tuesday, September 10 at 10:00 a.m.  
Tuesday, December 3 at 10:00 a.m.

Vice Chair Ackerman asked Ms. Klausner Parish if a gift card would be considered pensionable. Ms. Klausner Parish said she would research this and would report back.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES **FINAL** MINUTES  
December 4, 2018

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**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:39 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Pioneer Room**  
**6591 Orange Drive**  
**March 5, 2019 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:00 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee John Phillips. Also present were Anna Klausner Parish, Klausner & Kaufman; Jeremy Langley, FMPT.

**2. NEW BUSINESS**

**2.1 MINUTES DECEMBER 4, 2018**

A motion was presented by Trustee Roig and seconded by Trustee Phillips to approve the minutes as presented. The motion carried unanimously.

**2.2 RATIFICATION OF INVOICE PAYMENTS**

A motion was presented by Trustee Phillips and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the lump sum distributions and monthly retirement benefits approved by Chairperson Hall. The motion carried unanimously.

**2.4 QUARTERLY INVESTMENT RETURNS DECEMBER 31, 2018**

Mr. Langley reviewed the investment returns through December 31, 2018. The investment return for the quarter was (8.15)%, the 3-year return was 5.56%, the 5-year return was 4.50% and the 10-year return was 7.96%.

**2.5 DECLARATION OF PLAN RETURN**

A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to set the annual rate of return at 7.5%. The motion carried unanimously.

**2.6 MEMBER REQUESTING LUMP SUM RETIREMENT BENEFIT**

Ms. Klausner Parish provided an overview of a member requesting a lump sum benefit as their monthly benefit would be less than \$100 per month. She mentioned this was discussed back in 2013 when the member's original calculation was prepared, and that Trustees did not move forward with the lump sum at the time.

**A motion was presented by Secretary Roig and seconded by Trustee Phillips to approve a lump sum benefit payable to Peter Stephen less any payments he had already received. The motion carried 4-1 with Vice Chair Ackerman opposing.**

## **2.7 ELECTION PROCEDURES**

Vice Chair Ackerman spoke about the election procedures and wanted the procedures to be cleaned up prior to the next election. Secretary Roig spoke regarding issues of those who were in DROP who shouldn't have voted. Chairperson Hall stated she would follow up with Ms. Underhill at the League on a list of eligible employees to vote. This item would be placed back on the next agenda.

## **3. OLD BUSINESS**

### **3.1 QUESTION REGARDING WHETHER GIFT CARDS ARE PENSIONABLE**

Ms. Klausner Parish stated she would double check to see if gift cards were pensionable and would report back at the next meeting.

### **3.2 FOLLOW UP ON DOROTHY ROSS**

Ms. Klausner Parish reported the final order was sent to Ms. Ross and Ms. Ross didn't appeal, so the decision was final. Vice Chair Ackerman stated this would be part of contract negotiations.

## **4. PLAN ATTORNEY COMMENTS**

Ms. Klausner Parish spoke on a house bill that proposed changes requiring a board to post their agenda at least 3 days in advance. It would also require two physical copies be provided at the meeting. The amount of time for public participation would also be changed. She would send information on this out to Trustees. She spoke of the conference her office was having and it would be held June 10-12 at the W in Fort Lauderdale. A formal invitation would follow.

## **5. PLAN ADMINISTRATOR COMMENTS**



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Mr. Langley stated there was a deferred vested member who was to begin his benefit in August of 2017 and his office had sent many letters, but their office hadn't received his application to date. He stated he would be doing member meetings March 20-21.

Chairperson Hall wanted to make sure the Records Management Liaison Officer (RMLO) Designation paperwork had been take care of. Ms. Klausner Parish checked the minutes from the last meeting and stated a motion was passed, so this was taken care of. Ms. Klausner Parish believes the paperwork was filed as well.

**6. PUBLIC COMMENTS**

There were no public comments.

**7. 2019 MEETINGS – JUNE 4, SEPTEMBER 10 & DECEMBER 3**

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:36 a.m.

**FINAL MINUTES**  
**SPECIAL MEETING**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: PIONEER ROOM**  
**6591 Orange Drive**  
**April 4, 2019 at 11:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 11:03 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee John Phillips (*arrived at 11:04 a.m.*). Also present was Anna Klausner Parish, Klausner & Kaufman.

**2. DISCUSSION OF LUMP SUM RETIREMENT PAYMENT**

Ms. Klausner Parish provided an overview of the lump sum payment due to Peter Stephen and that it had increased since the approval at the March 5, 2019 meeting. She stated that the lump sum value would increase over time. She was awaiting a response from the actuary as to the reasoning for the increase.

**A motion was presented by Secretary Roig and seconded by Trustee Garagozzo to approve the revised amount of 10,444.09 with the understanding the amount could slightly increase depending on the timing of the payment. The motion carried 4-1 with Vice Chair Ackerman opposing.**

Ms. Klausner Parish stated she would email the statement from the actuary out to Trustees once she received it.

**5. PUBLIC COMMENTS**

**6. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:13 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Pioneer Room**  
**6591 Orange Drive**  
**June 4, 2019 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:00 a.m.

Present at the meeting were Vice Chairman William Ackerman, Secretary Evelyn Roig, and Trustee John Phillips. Also present were Anna Klausner Parish, Klausner & Kaufman; Jeremy Langley, FMPT. Charles Carr attended by telephone, Southern Actuarial Services.

**A motion was presented by Secretary Roig and seconded by Trustee Phillips to excuse Chairperson Hall and Trustee Garagozzo from the meeting. The motion carried unanimously.**

**2. NEW BUSINESS**

**2.1 FOLLOW UP ON LUMP SUM PAYMENT**

Mr. Carr was called into the meeting. He provided an explanation of why the lump sum value changed over time.

**2.2 MINUTES MARCH 5, 2019 & APRIL 4, 2019 SPECIAL MEETING**

Vice Chair Ackerman provided a change on 3.1 of the March 5, 2019 minutes.

**A motion was presented by Secretary Roig and seconded by Trustee Phillips to approve the minutes with the correction. The motion carried unanimously.**

**2.3 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.4 RETIREMENTS & LUMP SUMS FOR APPROVAL**

Vice Chair Ackerman requested clarification on the note regarding 2 DROP participants who were not approved at the time they entered. Mr. Langley called Ms. Underhill at the League for clarification. She stated these 2 DROP participants were missed at the time they went into the DROP for approval, so they are on the list now to be approved.

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**A motion was presented by Secretary Roig and seconded by Trustee Phillips to approve the lump sum distributions and monthly retirement benefits approved by Chairperson Hall. The motion carried unanimously.**

## **2.5 QUARTERLY INVESTMENT RETURNS MARCH 31, 2019**

Mr. Langley reviewed the investment returns through March 31, 2019. The investment return for the quarter was 9.49%, the fiscal year to date was 0.56%, the 3-year return was 8.45%, the 5-year return was 6.24% and the 10-year return was 9.54%.

## **2.6 APPROVAL OF FIDUCIARY LIABILITY INSURANCE RENEWAL**

**A motion was presented by Secretary Roig and seconded by Trustee Phillips to approve the fiduciary liability insurance renewal. The motion carried unanimously.**

## **3. OLD BUSINESS**

### **3.1 ELECTION PROCEDURES**

This item will be placed on the next agenda along with the election procedures attached.

### **3.2 QUESTION REGARDING WHETHER GIFT CARDS ARE PENSIONABLE**

Ms. Klausner Parish reviewed the plan document and didn't feel that gift cards would be pensionable.

## **4. PLAN ATTORNEY COMMENTS**

Ms. Klausner Parish spoke regarding tax changes for alimony.

## **5. PLAN ADMINISTRATOR COMMENTS**

No additional comments.

Vice Chair Ackerman asked Mr. Langley if other plans they administer charge an administrative fee for the return of employee contributions. Mr. Langley was not aware of any that charge for this. Ms. Klausner Parish stated she was not aware of this either.

## **6. PUBLIC COMMENTS**

There were no public comments.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES **FINAL** MINUTES  
June 4, 2019

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**7. 2019 MEETINGS – SEPTEMBER 10 & DECEMBER 3**

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:42 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Pioneer Room**  
**6591 Orange Drive**  
**September 10, 2019 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:01 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee John Phillips. Also present were Anna Klausner Parish, Klausner & Kaufman; Jeremy Langley, FMPT. Laura Underhill, FMPTF, attended by telephone.

**2. NEW BUSINESS**

**2.1 MINUTES JUNE 4, 2019 MEETING**

**A motion was presented by Secretary Roig and seconded by Trustee Phillips to approve the minutes as presented. The motion carried unanimously.**

**2.2 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

Vice Chair Ackerman noticed a typo in the amount for Kershra Myrick. The corrected lumpsum amount should be \$1,882.28.

**A motion was presented by Secretary Roig and seconded by Trustee Garagozzo to approve the lump sum distributions and monthly retirement benefits approved by Chairperson Hall with the correction to Kershra Myrick's lumpsum amount. The motion carried unanimously.**

**2.4 QUARTERLY INVESTMENT RETURNS JUNE 30, 2019**

Mr. Langley reviewed the investment returns through June 30, 2019. The investment return for the quarter was 4.16%, the fiscal year to date was 4.74%, the 3-year return was 9.40%, the 5-year return was 6.49% and the 10-year return was 9.07%.

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## **2.5 CYBER LIABILITY INSURANCE**

Ms. Klausner Parish discussed a memo from her office regarding steps to take and suggested an insurance policy for the fund and all of their vendors. Chairperson Hall asked how much it would cost. Ms. Klausner Parish stated it may be included in the fiduciary liability insurance. Mr. Langley asked Ms. Underhill if she had recently sought out quotes for this and she stated she had not but could look into it. Chairperson Hall asked if she could check to see if their current fiduciary liability insurance included it. Ms. Underhill would check on it and bring it back to the next meeting. Mr. Langley stated that the Florida Municipal Pension Trust Fund would be changing their cyber liability insurance policy to \$5 million as of 10/1/19.

## **2.6 DISCUSSION OF REVISING SUMMARY PLAN DESCRIPTIONS**

Ms. Klausner Parish stated the Summary Plan Description (SPD) needed to be updated every 2 years and it was time for it to be updated. She asked if the League updated the SPD. Ms. Underhill stated she understood Ms. Klausner Parish's office needed to add additional updates. Trustees provided some changes for the new SPDs.

**A motion was presented by Trustee Garagozzo and seconded by Secretary Roig to allow the attorney's office to amend the SPDs. The motion carried unanimously.**

## **3. OLD BUSINESS**

### **3.1 ELECTION PROCEDURES**

Trustees discussed the procedures provided and Ms. Klausner Parish stated she would work on the procedures and bring this back to the next meeting.

## **4. PLAN ATTORNEY COMMENTS**

Ms. Klausner Parish summarized her office would work on the SPDs and the election procedures. She stated if anyone had questions on the cyber insurance to contact her.

## **5. PLAN ADMINISTRATOR COMMENTS**

Mr. Langley had no additional comments. Ms. Underhill stated she had received Ms. Klemm's DROP election form and her application would be placed on the next agenda.

## **6. PUBLIC COMMENTS**

There were no public comments.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES **FINAL** MINUTES  
September 10, 2019

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**7. 2019 MEETINGS – DECEMBER 3**

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:30 a.m.



***FINAL MINUTES***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE  
Location: Pioneer Room  
6591 Orange Drive  
December 3, 2019 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:05 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee John Phillips. Also present were Anna Klausner Parish, Klausner & Kaufman; Jeremy Langley and Laura Underhill, FMPT. Chuck Carr, Southern Actuarial Services, attended by telephone.

**2. NEW BUSINESS**

**2.1 APPROVAL OF 2019 ACTUARIAL VALUATION**

Mr. Carr, Southern Actuarial Services, was called into the meeting. He provided an overview of the 2019 actuarial valuation. He stated there were no plan changes or assumption changes. The FRS had adopted the Pub 2010 mortality tables, and their plan would not be required until the 10/1/2021 valuation. It would be optional to go to these tables for 2020. Mr. Carr stated he would likely be moving the Florida public pension plans to this on the 2020 valuations.

**A motion was presented by Secretary Roig and seconded by Trustee Phillips to approve the 2019 actuarial valuation. The motion carried unanimously – Chairperson Hall was absent during the vote.**

**2.2 SET EXPECTED ANNUAL RATE OF RETURN**

The Board discussed this with Mr. Carr.

**A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to set the annual expected rate of return at 7.5%. The motion carried unanimously.**

Mr. Langley spoke about the 70% equity option to the Board.

**2.3 MINUTES SEPTEMBER 10, 2019 MEETING**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to approve the minutes as presented. The motion carried unanimously.**

**2.4 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

## **2.5 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to approve the lump sum distributions and monthly retirement benefits approved by Chairperson Hall. The motion carried unanimously.**

## **2.6 QUARTERLY INVESTMENT RETURNS SEPTEMBER 30, 2019**

Mr. Langley reviewed the investment returns through September 30, 2019. The investment return for the quarter was 0.63%, the fiscal year to date was 5.40%, the 3-year return was 8.71%, the 5-year return was 6.78% and the 10-year return was 8.11%.

There was discussion about the Board switching to the 70% equity fund.

Mr. Langley discussed an upcoming investment presentation on January 23, 2020 where the consultant would attend to answer questions and discuss asset allocation.

## **2.7 FMLA LEAVE AND CREDITED SERVICE**

Vice Chair Ackerman discussed a situation with an employee on FMLA. The employee had periods of time where he was unpaid after his FMLA period and that credited service did not cease. He questioned at what point do they stop credited service. Ms. Klausner Parish suggested making something written so it was consistent. She would ask around and the board could have an administrative policy.

## **3. OLD BUSINESS**

### **3.1 CYBER LIABILITY INSURANCE**

Ms. Klausner Parish stated the Board was covered under Town's policy but not 3<sup>rd</sup> party providers. Trustees requested to find out if the actuary had this coverage. This would be asked of the actuary and brought back to trustees. Mr. Langley mentioned the Florida League of Cities had coverage of \$5 million.

### **3.2 ELECTION PROCEDURES**

Ms. Klausner Parish provided an overview of the election procedures provided by her office. There was a discussion of changes to be made. This would be brought back to the next meeting.

### **3.3 REVISED SUMMARY PLAN DESCRIPTIONS**

Ms. Klausner Parish requested Word versions of the Summary Plan Descriptions to make revisions. Ms. Underhill would provide those to her. Ms. Klausner Parish passed out the documents and provided an overview of the revisions made. This would be brought back to the next meeting for approval.

Vice Chair Ackerman had a question about an employee who left the Town and may return to the Town. If they wanted to pay back contributions to get their service back, what interest rate would be used for them to pay back the contributions? Ms. Klausner Parish would take a look at this and report back.

### **4. PLAN ATTORNEY COMMENTS**

No additional comments.

### **5. PLAN ADMINISTRATOR COMMENTS**

No additional comments.

### **6. PUBLIC COMMENTS**

There were no public comments.

### **7. PROPOSED 2020 MEETING DATES:**

March 3<sup>rd</sup> 10:00 a.m.

June 2<sup>nd</sup> 10:00 a.m.

September 1<sup>st</sup> 10:00 a.m.

December 1<sup>st</sup> 10:00 a.m.

### **8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:44 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Pioneer Room**  
**6591 Orange Drive**  
**March 3, 2020 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:08 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee John Phillips (arrived at 10:30 a.m.). Also present were Anna Klausner Parish, Klausner & Kaufman; Jeremy Langley, FMPT.

**2. NEW BUSINESS**

**2.1 MINUTES DECEMBER 3, 2019 MEETING**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to approve the minutes as presented. The motion carried unanimously.**

**2.2 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to approve the lump sum distributions and monthly retirement benefits approved by Chairperson Hall. The motion carried unanimously.**

Vice Chair Ackerman spoke of Chairperson Hall entering the DROP and requested clarification from the pension attorney that she was allowed to remain on the Board. Ms. Klausner Parish stated her office's recommendation was that Chairperson Hall could remain on the Board to finish out her term but could not seek reelection.

**2.4 QUARTERLY INVESTMENT RETURNS DECEMBER 31, 2019**

Mr. Langley reviewed the investment returns through December 31, 2019. The investment return for the quarter was 5.06%, the 3-year return was 9.90%, the 5-year return was 7.26% and the 10-year return was 8.33%.

Mr. Langley spoke about the volatility in the market due to the Coronavirus.

## **2.5 70% EQUITY FUND**

Vice Chair Ackerman stated he spoke to Administration about this and they did not want to make the change at this time.

## **3. OLD BUSINESS**

### **3.1 CYBER LIABILITY INSURANCE**

Mr. Langley stated the actuary was working on getting cyber liability insurance. The actuary would have the coverage soon.

### **3.2 ELECTION PROCEDURES**

Ms. Klausner Parish stated the election procedures provided should contain all the requested changes.

Vice Chair Ackerman requested to have documents provided prior to the meeting.

Chairperson Hall stated she had in her notes there would be a change to include language regarding in the event of an emergency the election would be rescheduled. Ms. Klausner Parish stated this was added under section B.

**A motion was presented by Secretary Roig and seconded by Trustee Garagozzo to approve the revised election procedures. The motion carried unanimously.**

### **3.3 REVISED SUMMARY PLAN DESCRIPTIONS**

Ms. Klausner Parish stated the changes were provided as requested.

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to approve the revised Summary Plan Descriptions. The motion carried unanimously.**

### **3.4 RETURNING EMPLOYEES – INTEREST RATE ON RETURNING CONTRIBUTIONS TO PENSION FUND**

Ms. Klausner Parish stated a returning member would need to pay the full actuarial cost. They would use the current assumed rate of return. They would have a calculation prepared and would have 3 months to pay the actuarial cost to receive the service credit.

## **4. PLAN ATTORNEY COMMENTS**

Ms. Klausner Parish spoke of Vice Chair Ackerman's question regarding the plan year. The plan year begins 10/1 because the Town follows the mandatory 10/1 fiscal year that's outlined in statute. The statute mandates a 10/1 plan year. In the future, when the next plan change is made, they would make this revision.

Ms. Klausner Parish stated that she would not be at the September 2, 2020 meeting as her due date was September 1, 2020. Someone would attend in her place. Chairperson Hall stated she may not be available to attend the June 2, 2020 meeting, but that she would follow up. Ms. Klausner Parish would send an email summarizing the discussion regarding the plan year.

Vice Chair Ackerman discussed FMLA and asked about the period when FMLA stops. Trustees discussed allowing members to receive up to 6 months of service after FMLA. Ms. Klausner Parish would draft something on this for the next meeting.

Vice Chair Ackerman asked about FPPTA membership. Mr. Langley would confirm.

**5. PLAN ADMINISTRATOR COMMENTS**

No additional comments.

**6. PUBLIC COMMENTS**

There were no public comments.

**7. 2020 MEETINGS – JUNE 2, SEPTEMBER 1 & DECEMBER 1 AT 10:00 A.M.**

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:56 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: *VIRTUAL MEETING* via WebEx  
June 2, 2020 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:13 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee John Phillips. Also present via WebEx were Anna Klausner Parish, Klausner & Kaufman; Jeremy Langley & Laura Underhill, FMPT.

Ms. Klausner Parish read Executive Order No. 20-69 and Order No. 20-122 issued by the Office of Governor Ron DeSantis regarding meetings being held using telephonic or video conferencing.

**2. NEW BUSINESS**

**2.1 MINUTES MARCH 3, 2020 MEETING**

Vice Chair Ackerman had a couple of changes: page 1 – close the parenthesis in roll call; page 3 - September 2, 2020.

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to approve the minutes with corrections. The motion carried unanimously.**

**2.2 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the lump sum distributions and monthly retirement benefits approved by Chairperson Hall. The motion carried unanimously.**

**2.4 QUARTERLY INVESTMENT RETURNS MARCH 31, 2020**

Mr. Langley reviewed the investment returns through March 31, 2020. The investment return for the quarter was (15.31)%; the fiscal year to date return was (11.03)%; the 3-year return was 2.35%; the 5-year return was 3.26% and the 10-year return was 6.14%.

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Mr. Langley spoke about the bounce back in the market since the 3/31/2020 quarter end.

**2.5 DISCUSSION OF PLACEMENT OF A TOWN ATTORNEY AS A GENERAL OR MANAGERIAL EMPLOYEE**

Vice Chair Ackerman stated there was a discussion regarding the Town Attorney and whether this position should be designated as a Managerial employee as it pertains to the pension plan.

Ms. Klausner Parish would work on an administrative policy to be adopted at the next meeting. She suggested this change be added to the plan the next time it is amended. Chairperson Hall asked if this would go back to his date of hire and Ms. Klausner Parish stated it would.

**2.6 DISCUSSION OF 457(B) TOWN CONTRIBUTIONS AS PENSIONABLE**

Vice Chair Ackerman stated there were a couple of employees where the Town makes 457(b) contributions for them and these contributions should be treated as pensionable. This would affect the town administrator and the town attorney. He stated that as the plan shows, this should be considered pensionable, but if the Board wanted to look at making this excluded going forward, this could be done.

Ms. Klausner Parish stated she would like to review before providing a final answer.

This item would be tabled to the next meeting.

**2.7 FIDUCIARY LIABILITY INSURANCE RENEWAL**

The quote to renew the fiduciary liability insurance policy was presented. The quote was for \$5,325. Chairperson Hall asked how much the premium was for the prior year. Ms. Underhill stated last year's premium was \$5,390.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve renewal of the fiduciary liability insurance policy. The motion carried unanimously.**

**2.8 COVID 19 MESSAGE – EXTENSION OF VIRTUAL MEETING UPDATE #5**

Ms. Klausner Parish stated there was an update based on executive order that they were still able to meet without a physical quorum through July 8, 2020. She stated her office would follow this and would meet virtually through July 8, 2020, if not longer. If the board wanted to meet physically, she would attend virtually. Either



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she or another attorney would attend virtually, depending on when she goes on maternity leave.

## **2.9 DROP APPLICATION FOR KIMBERLY MASSEY – 5/1/2020**

Mr. Langley stated the application was given to the Town's 457 provider, Erik Sherman, and he sent it to Ms. Underhill. Ms. Underhill stated she received the application from Mr. Sherman on May 27, 2020. She doesn't know if he sent it previously as she couldn't find it in her junk mail. Mr. Sherman stated he received the application in March with the intent of Ms. Massey entering the DROP on May 1, 2020. She stated they wanted trustees' approval this would be acceptable. Vice Chair Ackerman spoke about the issues involved as the Town would have to get the contributions back to Ms. Massey since she has continued to pay her contributions into the pension plan. He spoke of employees needing to submit paperwork to the appropriate person. Secretary Roig asked if there was a process for employees to follow. Vice Chair Ackerman stated he would speak to Mr. Sherman about this. Chairperson Hall requested Mr. Langley include the process in his presentation to participants that they should contact Human Resources when going into the DROP. Vice Chair Ackerman requested information be added to the Summary Plan Description (SPD). Secretary Roig requested putting this information on the website as well. Ms. Underhill would update the SPD with this information.

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to allow Ms. Massey's DROP application to be submitted. The motion carried unanimously.**

## **3. PLAN ATTORNEY COMMENTS**

### **3.1 Status update of disability application for Joel Nurse**

Ms. Klausner Parish stated she had received the application and medical records for Mr. Nurse. His form stated he wasn't totally and permanently disabled but was released from the Town because he couldn't perform all of his job requirements. Because the Town released him, he would be considered totally and permanently disabled. Ms. Klausner Parish would send Mr. Nurse to an Independent Medical Examiner (IME) to verify his diagnosis. She was waiting to hear back from the doctor. She stated the process is slow right now due to the spacing out of appointments. She would follow up this week and get him scheduled. Trustee Phillips stated if this could occur before the next meeting, then Trustees would consider having a special meeting. Ms. Klausner Parish stated once Mr. Nurse gets his evaluation and she receives the report back, they could schedule a meeting.

## **4. PLAN ADMINISTRATOR COMMENTS**

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES **FINAL** MINUTES  
June 2, 2020

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No additional comments.

**5. PUBLIC COMMENTS**

There were no public comments.

**6. 2020 MEETINGS –SEPTEMBER 1 & DECEMBER 1 AT 10:00 A.M.**

**7. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:15 a.m.

**FINAL MINUTES**  
**SPECIAL MEETING**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**

**Location: *VIRTUAL MEETING* via WebEx**  
**July 7, 2020 at 2:00 P.M.**

**1. ROLL CALL**

The meeting was called to order at 2:10 p.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Trustee Grace Garagozzo and Trustee John Phillips. Also present via WebEx were Anna Klausner Parish, Klausner & Kaufman; Laura Underhill, FMPT. Mr. Joel Nurse, disability applicant, was also present.

**2. DISABILITY HEARING**

Ms. Klausner Parish provided an overview of the disability application for Mr. Joel Nurse. She discussed what the Board needed to consider. In order to grant the disability, Trustees must establish his disability was total and permanent, and that it was service connected. She then went through the details of his application.

Mr. Joel Nurse was present at the meeting.

Chairperson Hall asked a question about the application where the doctor marked that Mr. Nurse was not permanently disabled. Ms. Klausner Parish explained this was his primary doctor and she stated the doctor was saying Mr. Nurse could perform certain duties, so his disability wasn't total, but since the Town had stated they did not have a job for him with reasonable accommodations based on what he needed, that meant his disability would be treated as total. This was based on case law established in Florida. Vice Chair Ackerman questioned whether there were any jobs in the Town he could work and Trustee Garagozzo responded there was not.

Ms. Klausner Parish asked if any Trustees wished to speak to Mr. Nurse on the record.

Trustee Phillips asked whether the disability was service connected. Ms. Klausner Parish stated the Town took the position he was separated with a work-related illness. She stated the illness could be hereditary or it could be caused by dehydration and exhaustion. She stated that given his prolonged exposure with being outdoors and the heavy lifting involved, that his condition could be job related. She stated the IME provider made a note that Mr. Nurse did not have a history of kidney disease.

Ms. Klausner Parish stated based upon the Town's position that there was no job with accommodations for Mr. Nurse and based upon the medical provider's recommendation, she believed that all criteria had been met, but the decision ultimately lied with the Board. Vice Chair Ackerman asked if it would be documented to clarify why the Board made their

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *SPECIAL MEETING*  
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July 7, 2020

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decision. Ms. Klausner Parish stated she would draft a final order with all the details about how the decision was made.

Vice Chair Ackerman asked when Mr. Nurse's benefit would be effective. Ms. Klausner Parish checked the operating rules and stated the effective date would be the date of his application. Vice Chair Ackerman questioned this as Mr. Nurse was still working. Ms. Klausner Parish stated she would research this and get back to everyone.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the disability request as total, permanent and service connected for Joel Nurse. The motion carried unanimously.**

Ms. Klausner stated she would send out a draft final order for all trustees to review.

**3. PUBLIC COMMENTS**

Mr. Joel Nurse spoke about his condition and his service with the Town.

**4. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 2:34 p.m.

***FINAL MINUTES***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: *VIRTUAL MEETING* via Zoom  
September 1, 2020 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:04 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee John Phillips. Also present via Zoom were Robert Klausner & Cassandra Harvey, Klausner & Kaufman; Jeremy Langley & Laura Underhill, FMPT.

**2. NEW BUSINESS**

**2.1 MINUTES JUNE 2, 2020 & JULY 7, 2020 MEETINGS**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the minutes as presented. The motion carried unanimously.**

**2.2 RATIFICATION OF INVOICE PAYMENTS**

Vice chair Ackerman asked a question about the attorney fees. He questioned the fee for the meeting attendance as he thought the charge was a flat \$500 fee per meeting. Mr. Klausner stated he would look into this and get it corrected.

Mr. Klausner introduced Cassandra Harvey who would be representing the Plan while Anna Klausner Parish was on maternity leave.

**A motion was presented by Secretary Roig and seconded by Trustee Garagozzo to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

Vice Chair Ackerman asked about the process regarding the beneficiary payment for Wendy Stewart that was returned by her bank. Ms. Underhill stated they do an address check to attempt to find the member. She stated she would do another address check to see if she was still living. If she was still living, she would then send a certified letter. Mr. Klausner recommended contacting the bank to see who closed the account. The IRS stated the Plan had the responsibility to find missing retirees. He stated the Plan could publish a legal notice in the newspaper. He requested Ms. Underhill send another letter to the last known address as well as a certified letter. He recommended checking on the website Legacy.com. Mr. Klausner suggested getting a cell phone number for all retirees for these types of

situations. He also suggested getting another contact name and phone number in case we need to contact someone regarding their retirement benefit.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the lump sum distributions and monthly retirement benefits approved by Chairperson Hall. The motion carried unanimously.**

## **2.4 QUARTERLY INVESTMENT RETURNS JUNE 30, 2020**

Mr. Langley reviewed the investment returns through June 30, 2020. The investment return for the quarter was 13.30%; the fiscal year to date return was 0.80%; the 3-year return was 5.60%; the 5-year return was 5.85% and the 10-year return was 8.11%.

## **2.5 IRS REQUIRED MINIMUM DISTRIBUTION ADMINISTRATIVE POLICY**

Mr. Klausner stated this changed the policy to reflect the statutory change from age 70 ½ to age 72 last December for required minimum distributions.

Vice Chair Ackerman requested a change in the policy from the word “City” to “Town”. Vice Chair Ackerman asked if the distribution was required if an employee was working part-time. Mr. Klausner stated this would only apply when the employee separated service. He stated that as long as the employee was working more than 20% of the time that they worked previously, then this would not apply.

**A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to approve the IRS required minimum distribution administrative policy. The motion carried unanimously.**

## **2.6 REVISED OPERATING RULES**

Mr. Klausner stated this was an update to the Plan’s Operating Rules. Vice Chair Ackerman had a question on section 6.5 - Application for Benefits. He asked about whether the section regarding the documents to be provided for identification – including a copy of their Social Security card – was required. Mr. Klausner stated he thought any one of the items listed would be appropriate. Ms. Underhill stated that her office did require a copy of their Social Security card and all other documents listed for the retirement application. Vice Chair Ackerman had another question in section 7.7 - Effective Date for Disability Retirements. He asked about the statement that the participant may change their election at any time prior to the payment. Mr. Klausner stated that the participant could make a change at any time prior to the payment date; that is, once they pick the form of payment and receive a payment, then they could not change the form of benefit.

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**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the revised operating rules. The motion carried unanimously.**

## **2.7 UPDATE ON JOEL NURSE**

Chairperson Hall wanted to make sure everything was set for Mr. Nurse. Ms. Underhill stated Mr. Nurse had been paid for September 1, 2020.

Chairperson Hall stated at the last meeting they talked about an administrative rule for the town attorney to be considered a managerial employee for purposes of the Plan. Mr. Klausner stated the town attorney would automatically be in the membership if he/she was an employee. If the town attorney was a contractor, then they would not be in the Plan. Vice Chair Ackerman stated he was in the Plan, but the definition of a management employee didn't fit. They were awaiting a response from Ms. Anna Klausner Parish on an administrative rule to keep him in the Plan. Mr. Klausner stated he would draft an administrative policy regarding this situation.

Mr. Klausner then discussed the situation where the Town made an employer match to a 457(b) deferred compensation plan and whether that was pensionable. Based on case authority, he believed it was. Vice Chair Ackerman stated they were withholding the contributions for the employee in question.

Mr. Klausner stated he would draft a policy and would adopt an amendment to that provision of the plan document. He would copy Vice Chair Ackerman on this and it could then go to the Town Clerk for a future Town Council agenda.

Chairperson Hall wanted to clarify everything had been taken care of from the discussion at the last meeting regarding Kim Massey's DROP application. Vice Chair Ackerman stated this had been taken care of. She also asked Mr. Langley if he would be including the information regarding where a DROP application was to be submitted for the employee meetings. Mr. Langley stated that he would.

## **3. PLAN ATTORNEY COMMENTS**

Mr. Klausner stated the ability to meet virtually was currently good through September but was expecting it to be extended. To be safe, his office would continue to attend virtually.

## **4. PLAN ADMINISTRATOR COMMENTS**

Ms. Underhill spoke about Taso Stavrakis who was terminated-vested, and that he was age 63, so he didn't fit in with the required minimum distribution.

## **5. PUBLIC COMMENTS**

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES **FINAL** MINUTES  
September 1, 2020

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There were no public comments.

**6. 2020 MEETINGS – DECEMBER 1 AT 10:00 A.M.**

Vice Chair Ackerman spoke of the retainer they spoke of earlier and it was stated in a document dated 10/17/2017, that was sent to Ms. Underhill regarding the fee increase and discussed the hourly rate and the \$500 charge per board meeting.

Vice Chair Ackerman discussed a previous discussion from the March meeting about FMLA and credited service and they were awaiting an administrative policy on this. Mr. Klausner stated he would prepare a legal opinion on this.

**7. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:07 a.m.



**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**  
**Location: Council Chambers**  
**6591 Orange Drive**  
**December 1, 2020 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:05 a.m.

Present at the meeting were Chairperson Grace Hall (via Zoom), Vice Chairman William Ackerman, Secretary Evelyn Roig and Trustee Grace Garagozzo. Also present was Jeremy Langley, FMPTF and via Zoom were Robert Klausner & Cassandra Harvey, Klausner & Kaufman & Laura Underhill, FMPTF.

**Note:** *Cassandra Harvey left the meeting and Robert Klausner joined the meeting at 10:33 a.m.*

**2. NEW BUSINESS**

**2.1 MINUTES SEPTEMBER 1, 2020 MEETING**

Chairperson Hall asked for clarification on page 2 where Vice Chair Ackerman asked about the beneficiary payment returned by “her” bank. She asked who “she” was. Ms. Underhill responded “she” was Wendy Stewart and that she would add her name to the minutes. Vice Chair Ackerman asked about page 4 regarding a retiree who was terminated-vested and wanted clarification on who that was in reference to. Ms. Underhill stated that was regarding Taso Stavrakis and he was the deferred-vested member they have been trying to reach as he is due a benefit but that he was not yet 72 years old, so he didn’t fit in with the required minimum distribution. She stated she would update the minutes with his information.

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to approve the minutes with the corrections. The motion carried unanimously.**

**2.2 RATIFICATION OF INVOICE PAYMENTS**

Chairperson Hall asked Vice Chair Ackerman about a bill from the last meeting that had the incorrect charge. Ms. Harvey said she would check on that and get back to her.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to approve the lump sum distributions and monthly retirement benefits approved by Chairperson Hall. The motion carried unanimously.**

## **2.4 QUARTERLY INVESTMENT RETURNS SEPTEMBER 30, 2020**

Mr. Langley reviewed the investment returns through September 30, 2020. The investment return for the quarter was 5.76%; the fiscal year to date return was 6.60%; the 3-year return was 6.48%; the 5-year return was 8.16% and the 10-year return was 7.87%.

## **2.5 2020 ACTUARIAL VALUATION**

Mr. Carr was called in to the meeting. He provided an overview of the changes in the assumptions for the 2020 actuarial valuation. The mortality table had been changed to the PUB-2010. The interest rate was decreased from 7.5% to 7%. The expense loading was reduced from 1.25% of the present value of future benefits to 0.75% of the present value of future benefits. The method used to determine the actuarial value of assets was changed based on the market value adjusted to reflect a five-year phase-in of the unexpected investment gains and losses.

Vice Chair Ackerman asked Mr. Carr if the phase-in approach used would have any negative impact moving forward. Mr. Carr explained how he felt this would not have any adverse impact. He also explained this could be changed in the future if needed.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the 2020 Actuarial Valuation as presented. The motion carried unanimously.**

Chairperson Hall asked Mr. Klausner if the Board needed to make a motion changing the assumption rate to 7%. Mr. Klausner stated that by approving the valuation with the change in the assumption rate, they did approve that change.

## **3. PLAN ATTORNEY COMMENTS**

### **3.1 FINAL OPERATING RULES**

Mr. Klausner presented the amended Operating Rules & Procedures.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the amended Operating Rules & Procedures. The motion carried unanimously.**

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### **3.2 PROPOSED ORDINANCE**

Mr. Klausner provided an overview of the changes the proposed ordinance would make to the Plan. The ordinance added permissive service credit, changed the definition of Management Employee and amended the definition of Salary/Compensation by adding that employer and employee 457 contributions would be pensionable.

Vice Chair Ackerman spoke of his concerns of the Managerial Employee definition. Trustees discussed this, and Mr. Klausner would make this change. Vice Chair Ackerman then spoke of his concerns with the section on 457 employee contributions. Mr. Klausner would amend this section. Vice Chair Ackerman had concerns about the option to purchase permissive service credit. Mr. Klausner would break out the first 2 items in the proposed ordinance and regarding the change on purchasing permissive service credit, this would be negotiated with the Union and brought back at a later date.

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to send the proposed ordinance along to the Town regarding the definition of Management employee and salary/compensation. The motion carried unanimously.**

### **3.3 SPECIAL TAX NOTICE**

Mr. Klausner provided an overview of the change to the Special Tax Notice changing the required minimum distribution age from 70 ½ to 72.

**A motion was presented by Trustee Garagozzo and seconded by Vice Chair Ackerman to accept the amended Special Tax Notice. The motion carried unanimously.**

### **3.4 REQUIRED MINIMUM DISTRIBUTION POLICY**

This item was not discussed.

## **4. PLAN ADMINISTRATOR COMMENTS**

There were no additional comments.

## **5. PUBLIC COMMENTS**

There were no public comments.

Chairperson Hall asked Secretary Roig when the next election would occur for her seat. Secretary Roig stated it would occur in September 2021 for Chairperson Hall and Secretary

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Roig, and for Vice Chair Ackerman's appointment.

Mr. Klausner stated Florida was a hold over state and that their positions would hold over until the election was completed.

Mr. Klausner asked Chairperson Hall who should get the revised ordinance. He stated he would send to Ms. Underhill for general distribution.

**6. PROPOSED 2021 MEETING DATES:**

March 2<sup>nd</sup> 10:00 a.m.

June 1<sup>st</sup> 10:00 a.m.

September 7<sup>th</sup> 10:00 a.m.

December 7<sup>th</sup> 10:00 a.m.

**7. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:48 a.m.

***FINAL MINUTES***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: Pine Island Multipurpose Center, Palm Room  
3801 S. Pine Island Rd, Davie FL 33328  
March 2, 2021 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:07 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig and Trustee John Phillips. Also present was Jeremy Langley, FMPTF; Richard Lemack, Town of Davie and via Zoom were Anna Klausner Parish, Klausner & Kaufman & Laura Underhill, FMPT.

**2. NEW BUSINESS**

**2.1 MINUTES DECEMBER 1, 2020 MEETING**

Vice Chair Ackerman had some corrections.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the minutes with the corrections. The motion carried unanimously.**

**2.2 RATIFICATION OF INVOICE PAYMENTS**

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to approve the lump sum distributions and monthly retirement benefits approved by Chairperson Hall. The motion carried unanimously.**

**2.4 QUARTERLY INVESTMENT RETURNS DECEMBER 31, 2020**

Mr. Langley reviewed the investment returns through December 31, 2020. The investment return for the quarter was 10.82%; the 3-year return was 8.87%; the 5-year return was 9.78% and the 10-year return was 8.36%.

Mr. Langley spoke about the Core Plus fund which included Franklin Templeton and Pioneer. Franklin Templeton had been underperforming so there would be a discussion on Friday with the Investment Advisory Committee and they may make a motion to remove Franklin Templeton from the Core Plus fund. All the assets

would then be with Pioneer. Chairperson Hall asked when they would be notified of the change. Mr. Langley stated they could send out an email to the Board. Ms. Underhill stated she could send out an email.

## **2.5 LETTER FROM TOWN ADMINISTRATOR REGARDING ALLOWING 401(A) PARTICIPANTS IN THE DEFINED BENEFIT PLAN**

Mr. Lemack spoke about his letter to the Board of Trustees regarding allowing a one-time option for current 401(a) participants to join the Defined Benefit Plan. There were currently 21 employees currently not participating in the Defined Benefit Plan. He stated these employees would be immediately vested but that there would be no buy back provision. There was discussion whether this would need to be negotiated with the Union or there would be a Memorandum of Understanding (MOU). Ms. Klausner Parish felt comfortable with the MOU and separating the 2 employee classes into “represented” and “non-represented”. There was a discussion of when to get a cost study/impact statement of adding these employees to the Plan. They discussed doing a survey to see who was interested.

**A motion was presented by Trustee Phillips and seconded by Secretary Roig to move the proposal forward with no buy back provision; all participants would be vested moving forward; using a MOU to the Union with 2 groups – “represented” and “non-represented”; both groups would have 30 days to enter the Plan from the date the ordinance passes and the decision would be irrevocable. The motion carried unanimously.**

Mr. Carr, Plan Actuary, was then called in to the meeting. Trustees asked Mr. Carr the best way to have a cost study/impact statement prepared. Mr. Carr stated he could prepare a best case and worst case scenario. He could look at different numbers opting in with 2 or 3 alternatives. Vice Chair Ackerman clarified what the actuary would need from the Town. Mr. Carr stated he would need earnings estimate for the upcoming year, date of entry into the plan, date of hire, date of birth and gender.

**A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to have an estimate prepared for 1, 10 and 21 participants joining the Plan. The motion carried unanimously.**

Mr. Lemack mentioned the certified public pension trustee program for trustees to take advantage of. He asked trustees to consider this program.

## **3. PLAN ATTORNEY COMMENTS**

### **3.1 QUESTION ON BILL FROM LAST MEETING**

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Ms. Underhill stated she put this on the agenda as there was a question at the last meeting about the billing rate on one of their bills. Ms. Klausner Parish stated she would reach out to Ms. Harvey to see if she recalled what it was about. Vice Chair Ackerman stated it was from an invoice from June 2020 and it had to do with the flat meeting rate. Ms. Klausner Parish would double check and report back.

### **3.2 REQUIRED MINIMUM DISTRIBUTION POLICY**

Ms. Klausner Parish stated this policy was simply stating there was a change in the age for the minimum distribution from age 70 ½ to age 72.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the Required Minimum Distribution Policy. The motion carried unanimously.**

### **3.3 REVISED SUMMARY PLAN DESCRIPTION (SPD)**

Ms. Klausner Parish stated there was a change in the Management Employees' SPD.

**A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to approve the revised Summary Plan Description. The motion carried unanimously.**

## **4. PLAN ADMINISTRATOR COMMENTS**

There were no additional comments.

## **5. PUBLIC COMMENTS**

There were no public comments.

Vice Chair Ackerman spoke of the recertification program and recommended to other trustees to get certified.

## **6. 2021 MEETINGS – JUNE 1, SEPTEMBER 7 & DECEMBER 7 AT 10:00 A.M.**

Chairperson Hall asked Ms. Anna Klausner Parish if she could begin on the ordinance, so they could potentially have a special meeting before May. Ms. Klausner Parish stated she would begin working on it. Secretary Roig stated she could reach out to Trustee Garagozzo, who was the Human Resources Director, to perform a survey of the 21 employees in the 401a plan.

## **7. ADJOURNMENT**

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES  
March 2, 2021

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With there being no further business to discuss, the meeting was adjourned at 11:27 a.m.



***FINAL MINUTES***  
***SPECIAL MEETING***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**

**Location: Pine Island Multipurpose Center, Palm Room**  
**3801 S. Pine Island Rd, Davie FL 33328**  
**May 12, 2021 at 9:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 9:04 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee John Phillips. Also present were Anna Klausner Parish, Klausner & Kaufman; Laura Underhill, FMPT & Chuck Carr, plan actuary, via Zoom.

**2. DISCUSSION OF PROPOSED ORDINANCE**

Ms. Anna Klausner Parish provided an overview of the proposed ordinance allowing a one-time opportunity for current Defined Contribution participants to opt in to the Defined Benefit Plan.

Vice Chair Ackerman provided a correction to the date of 10/1/2003 in two places to be changed to 10/1/2006. Ms. Anna Klausner Parish would make those changes.

**A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to approve, as amended, the proposed ordinance to be provided to Town Council. The motion carried unanimously.**

Chairperson Hall wanted to clarify that their prior service with the Town would not be included for their credited service. Vice Chair Ackerman stated that these employees would not receive credit for their prior service. Their service would begin when the ordinance passes, but they would be fully vested.

Chairperson Hall stated the Summary Plan Description would need to be updated if the ordinance passes. Ms. Anna Klausner Parish stated that was correct.

Mr. Carr stated that once the ordinance was passed and the employees made their election, he would then prepare an impact statement reflecting the actual impact for those employees who choose to opt in to the Plan.

Chairperson Hall asked if there was an estimate of how many employees were interested. Trustee Garragozzo stated there were about 6 employees.

Trustee Garragozzo recommended having a training for those eligible employees prior to making their decision as they had questions. Vice Chair Ackerman asked if Mr. Langley could attend for the training. Secretary Roig stated the training would need to take place well in advance.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES  
May 12, 2021 ***SPECIAL MEETING***

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**3. PUBLIC COMMENTS**

None

**4. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 9:17 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**

**Location: Pine Island Multipurpose Center, Palm Room**  
**3801 S. Pine Island Rd, Davie FL 33328**  
**June 1, 2021 at 10:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 10:05 a.m.

Present at the meeting were Chairperson Grace Hall, Vice Chairman William Ackerman, Trustee Grace Garagozzo and Trustee John Phillips. Also present were Jeremy Langley and Laura Underhill, FMPTF; and Anna Klausner Parish, Klausner & Kaufman.

**2. NEW BUSINESS**

**2.1 MINUTES MARCH 2, 2021 MEETING & SPECIAL MEETING MAY 12, 2021**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the minutes as presented. The motion carried unanimously.**

**2.2 RATIFICATION OF INVOICE PAYMENTS**

Vice Chair Ackerman asked about an item on the attorney's bill regarding the FMLA and if this was ever finalized. Ms. Klausner Parish stated she wasn't at the meeting in December 13, 2020 but she would check on this. He also asked about the January 11, 2021 item regarding accumulated leave. He asked if this was formalized in writing for their records. Ms. Klausner Parish would check on this.

**A motion was presented by Trustee Phillips and seconded by Vice Chair Ackerman to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.**

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Trustee Garagozzo and seconded by Trustee Phillips to approve the lump sum distributions and monthly retirement benefits approved by Chairperson Hall. The motion carried unanimously.**

**2.4 QUARTERLY INVESTMENT RETURNS MARCH 31, 2021**

Mr. Langley reviewed the investment returns through March 31, 2021. The investment return for the quarter was 3.56%; the fiscal year to date return was 14.76%; the 3-year return was 10.22%; the 5-year return was 10.34% and the 10-year return was 8.36%.

## **2.5 AMENDED FMPTF INVESTMENT POLICY**

Mr. Langley spoke on the changes to the FMPTF Investment Policy due to market conditions. This change was recommended by the consultant.

## **2.6 CHANGE TO CORE PLUS FUND**

Mr. Langley stated the change was made to the Core Plus Fund as he mentioned at the last meeting. Franklin Templeton had been underperforming, so the Board removed Franklin Templeton from the Core Plus Fund, and Pioneer would hold all of the assets.

## **2.7 FIDUCIARY LIABILITY INSURANCE RENEWAL**

Ms. Underhill stated this was on the agenda for Trustees' approval of the renewal premium of \$6,022. Last year's premium was \$5,325.

**A motion was presented by Trustee Phillips and seconded by Trustee Garagozzo to approve the fiduciary liability insurance renewal at \$6,022. The motion carried unanimously.**

## **3. PLAN ATTORNEY COMMENTS**

Ms. Klausner Parish asked if the ordinance had passed. Vice Chair Ackerman stated the second reading would be June 9, 2021. After the ordinance passes, notices would be sent to those employees affected so they can make their election. She would update the Summary Plan Description after the ordinance passes. She would send a draft before the next meeting.

Chairperson Hall asked if they needed an impact statement prepared, and Vice Chairman stated this would be done after the employees made their elections.

## **4. PLAN ADMINISTRATOR COMMENTS**

There were no additional comments.

Vice Chair Ackerman asked about an election coming up. Chairperson Hall stated the elections would be coming up and she thought this would be her last meeting.

Trustee Phillips asked if there was a way to recognize Chairperson Hall for her service as she has been on the Board since the beginning of the Plan. There was a discussion of how to recognize her service.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES  
June 1, 2021

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**5. PUBLIC COMMENTS**

There were no public comments.

**6. 2021 MEETINGS –SEPTEMBER 7 & DECEMBER 7 AT 10:00 A.M.**

**7. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:34 a.m.

***FINAL MINUTES***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: Pine Island Multipurpose Center, Palm Room  
3801 S. Pine Island Rd, Davie FL 33328  
September 15, 2021 at 9:00 A.M.**

**1. ROLL CALL**

The meeting was called to order at 9:01 a.m.

Present at the meeting were Vice Chairman William Ackerman, Trustee Grace Garagozzo and Trustee John Phillips. Also present were Jeremy Langley, FMPTF; and Anna Klausner Parish, Klausner & Kaufman.

**2. NEW BUSINESS**

**2.1 MINUTES JUNE 1, 2021 MEETING**

A motion was presented by Trustee Phillips and seconded by Trustee Garagozzo to approve the minutes as presented. The motion carried unanimously.

**2.2 RATIFICATION OF INVOICE PAYMENTS**

A motion was presented by Trustee Garagozzo and seconded by Trustee Phillips to ratify all invoice payments approved by Chairperson Hall. The motion carried unanimously.

**2.3 RETIREMENTS & LUMP SUMS FOR APPROVAL**

A motion was presented by Trustee Phillips and seconded by Trustee Garagozzo to approve the lump sum distributions and monthly retirement benefits approved by Chairperson Hall. The motion carried unanimously.

**2.4 QUARTERLY INVESTMENT RETURNS JUNE 30, 2021**

Mr. Langley presented the names of the members on the Investment Advisory Committee (IAC). He let Trustees know of an upcoming webinar presented by the investment consultant in October.

Mr. Langley reviewed the investment returns through June 30, 2021. The investment return for the quarter was 4.79%; the fiscal year to date return was 20.26%; the 3-year return was 11.77%; the 5-year return was 11.05% and the 10-year return was 8.76%.

**2.5 LETTER FROM THE STATE REGARDING THE 2019 VALUATION**

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Mr. Langley stated this letter was informing the Board the 2019 actuarial valuation had been state accepted. There was a discussion about how the State was encouraging the Board to lower their investment return assumption.

## **2.6 SET MEETING DATES FOR 2022**

Trustees discussed the dates and there may be a conflict for one of the trustees on Tuesdays. This would be brought back to the December meeting for discussion.

## **2.7 ELECT CHAIRPERSON FOR OCTOBER 2021**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to nominate John Phillips as Chairperson. The motion carried unanimously.**

Trustee John Phillips accepted the nomination.

**A motion was presented by Trustee Garagozzo and seconded by Vice Chair Ackerman to elect John Phillips as Chairperson. The motion carried unanimously.**

# **3. PLAN ATTORNEY COMMENTS**

## **3.1 LETTER TO CJ VEZINA RE: DROP ENTRY**

Ms. Klausner Parish provided an overview of a member who wanted to enter the DROP but missed her 5-year window. She stated the Board didn't have the authority to allow Trustees to approve her to enter the DROP outside of the 5-year window. Ms. Vezina stated once she read the letter from the Board and read her benefit statement, she didn't see the correct normal retirement date. Vice Chair Ackerman stated the statement shows the assumed retirement date so he believed it would be the upcoming date if her normal retirement date had already passed. Vice Chair Ackerman explained to her about the 5-year window that occurs after her normal retirement date, which would have been after 30 years of service. He also explained the retirement date on the annual benefit statement. Trustee Phillips stated he felt there was some confusion and lack of information provided to employees. Trustee Garagozzo stated she felt the presentations to employees were very clear and the employees were able to call her office to get information. Ms. Klausner Parish stated that as the plan is currently written, Ms. Vezina is unable to enter the DROP.

# **4. PLAN ADMINISTRATOR COMMENTS**

There were no additional comments.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES  
September 15, 2021

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**5. PUBLIC COMMENTS**

There were no public comments.

**6. 2021 MEETINGS – DECEMBER 7 AT 10:00 A.M.**

**7. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:07 a.m.



***FINAL MINUTES***  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: Pine Island Multipurpose Center, Palm Room  
3801 S. Pine Island Rd, Davie FL 33328  
December 7, 2021 at 10:00 A.M.**

**1. CALL TO ORDER**

**2. ROLL CALL**

The meeting was called to order at 10:06 a.m.

Present at the meeting were Chairman John Phillips, Vice Chair William Ackerman and Trustee Grace Garagozzo. Also present were Jeremy Langley, FMPTF; and Anna Klausner Parish, Klausner & Kaufman.

**3. MINUTES SEPTEMBER 15, 2021 MEETING**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the minutes as presented. The motion carried unanimously.**

**4. NEW BUSINESS**

**A. RATIFICATION OF INVOICE PAYMENTS**

Vice Chair Ackerman asked about annual admin fees and if this was paid in arrears. Mr. Langley confirmed this payment was made in arrears.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to ratify all invoice payments approved by Chairman Phillips. The motion carried unanimously.**

**B. RETIREMENTS & LUMP SUMS FOR APPROVAL**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the lump sum distributions and monthly retirement benefits approved by Chairman Phillips. The motion carried unanimously.**

**C. QUARTERLY INVESTMENT RETURNS JUNE 30, 2021**

*Vice Chair Ackerman requested this item be moved after the presentation of the 2021 actuarial valuation so the actuary, Mr. Carr, could present at this time. Chairman Phillips agreed and this item was moved after the actuarial valuation.*

Mr. Langley reviewed the investment returns through September 30, 2021. The investment return for the quarter was (0.70)%; the fiscal year to date return was

19.42%; the 3-year return was 10.30%; the 5-year return was 10.34% and the 10-year return was 9.67%.

Mr. Langley wanted to make sure trustees received notification of the webinars by the investment consultants. He also stated there was a tentative date in July for an educational opportunity for trustees. Information would be sent out in January. The seminar would be held at the Luminary Hotel in Fort Myers.

**D. REVIEW AND APPROVAL OF THE 2021 ACTUARIAL VALUATION**

Mr. Carr asked if Trustees had received the bound copies of the valuations and Mr. Langley confirmed they had received them.

Mr. Carr provided an overview of the 2021 actuarial valuation. There was one plan change due to the ordinance allowing certain employees to opt into the plan. He did not recommend any assumption changes. He then provided a brief overview of the GASB reports.

There was a discussion of reducing the assumed rate of return in the future.

**A motion was presented by Vice Chair Ackerman and seconded by Chairman Phillips to approve the 2021 actuarial valuation. The motion carried unanimously.**

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve set the expected annual rate of rate of return at 7.00%. The motion carried unanimously.**

**E. REVIEW AND APPROVAL OF 2022 MEETING DATES**

Trustees reviewed the proposed 2022 meeting dates of March 1, June 7, September 6 and December 6 at 10:00 a.m.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the 2022 meeting dates are presented. The motion carried unanimously.**

**5. PLAN ATTORNEY COMMENTS**

There were no additional comments.

**6. PLAN ADMINISTRATOR COMMENTS**

There were no additional comments.

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**7. TRUSTEE COMMENTS**

Vice Chairman wanted to discuss how to pursue an administrative policy on how the calculations would be prepared for someone who may leave within 3-5 years who recently joined the plan from the DC plan. Ms. Klausner Parish took a quick look at the Plan and stated the Board could interpret as they saw fit as long as it did not conflict with the language of the plan. Chairman Phillips requested Ms. Klausner Parish look at the options for discussion at the next meeting. Vice Chair Ackerman also wanted a discussion of employees in the plan who change positions to either a firefighter or police officer. As of now, they can't receive a return of their employee contributions while they are still employed by the Town of Davie. He asked if the Board should look at allowing these employees to receive their contributions back or consider a coordination of benefits with the police and fire plans. This would be placed on the next meeting agenda for discussion.

**8. PUBLIC COMMENTS**

There were no public comments.

**9. 2022 MEETINGS – MARCH 1, JUNE 7, SEPTEMBER 6 & DECEMBER 6 AT 10:00 A.M.**

**10. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:31 a.m.

**FINAL MINUTES**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: Pine Island Multipurpose Center, Cypress Room  
3801 S. Pine Island Rd, Davie FL 33328  
March 1, 2022 at 10:00 A.M.**

**1. CALL TO ORDER**

The meeting was called to order at 10:01 a.m.

**2. ROLL CALL**

Present at the meeting were Chairman John Phillips, Vice Chair William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee Kevin Montaldi. Also present were Jeremy Langley, FMPTF; Anna Klausner Parish, Klausner & Kaufman; Laura Underhill, FMPTF via Zoom; and plan actuary Chuck Carr via Zoom.

**3. MINUTES DECEMBER 7, 2021 MEETING**

Trustees reviewed the minutes from the December 7, 2021 meeting.

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to approve the minutes as presented. The motion carried unanimously.**

**4. NEW BUSINESS**

**A. DISCUSSION OF CALCULATING FUTURE RETIREMENT BENEFIT FOR THE DC MEMBERS WHO ENTERED THE PLAN ON 7/22/2021**

Vice Chair Ackerman asked Mr. Carr about the members who entered the plan last year from the DC plan; he asked what earnings would be used to calculate their benefit if they were to retire before they had 5 years of earnings in the plan.

Mr. Carr said they generally average the pay of the actual earnings while in the plan. He stated the plan would need to specifically instruct them to use earnings other than what was earned while in the plan. Ms. Klausner Parish said they could draft an administrative policy stating that the earnings for the period they were in the plan would be used for their benefit calculation. Secretary Roig asked what this question was regarding. Vice Chair Ackerman stated this was only for the members who joined the plan on 7/22/2021 from the DC plan.

**B. RATIFICATION OF INVOICE PAYMENTS**

Trustees reviewed the list of invoices that had been paid.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to ratify all invoice payments approved by Chairman Phillips. The motion carried unanimously.**

**C. RETIREMENTS & LUMP SUMS FOR APPROVAL**

Trustees reviewed the list of new retirees and lumpsum payments.

**A motion was presented by Chairman Phillips and seconded by Vice Chair Ackerman to approve the lump sum distributions and monthly retirement benefits approved by Chairman Phillips. The motion carried unanimously.**

**D. QUARTERLY INVESTMENT RETURNS DECEMBER 31, 2021**

Mr. Langley reviewed the investment returns through December 31, 2021. The investment return for the quarter was 4.33%; the 3-year return was 15.08%; the 5-year return was 10.91% and the 10-year return was 9.41%.

**E. DISCUSSION OF RETURNING THE EMPLOYEE CONTRIBUTIONS TO THOSE EMPLOYEES WHO LEAVE THIS PLAN AND ENTER THE TOWN'S FIRE OR POLICE PLAN**

Vice Chair Ackerman stated this situation had come up with employees who exit this plan and entered the police or fire plan. Since they were still employed by the Town, they were unable to receive a return of their employee contributions. Ms. Klausner Parish stated that since their plan doesn't allow for an in-service distribution, they couldn't receive their contributions directly. In order to allow for an in-service distribution, there would have to be a change to the plan to allow for that. She stated the contributions could be rolled over since they wouldn't be receiving the funds in hand. Mr. Langley asked if the rollover would be allowed if they didn't change the plan. Ms. Klausner Parish said they should be able to rollover; she would double check. Mr. Langley thought this wouldn't be allowed because it would still be considered a distribution. Ms. Underhill stated this occurred in another plan and their attorney stated it would be allowable as long as it was a rollover. She asked if Ms. Klausner Parish could clarify. Ms. Klausner Parish said she would double check. She asked if the Board would want to look at amending the plan.

Chairman Phillips brought up the discussion about amending the plan and allowing their service in this plan to carry over to the fire or police plan. Ms. Klausner Parish stated this would be considered a coordination of benefits. Chairman Phillips stated he would like to explore this option. Ms. Klausner Parish stated Miramar had this in their plan and she could send out their plan to Trustees. Vice Chair Ackerman stated there would be a cost to the plan for this.

**5. A. PLAN ATTORNEY COMMENTS**

There were no additional comments.

**B. TRUSTEES COMMENTS**

There was a discussion of the new trustee, Kevin Montaldi, being sworn in. Secretary Roig would have Gillian Brewster, Assistant Town Clerk, swear him in.

**C. PLAN ADMINISTRATOR COMMENTS**

There were no additional comments.

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES  
March 1, 2022

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**6. 2022 MEETINGS –JUNE 7, SEPTEMBER 6 & DECEMBER 6 AT 10:00 A.M.**

**7. PUBLIC COMMENTS**

There were no public comments.

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:39 a.m.

**FINAL MINUTES**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: Pine Island Multipurpose Center, Cypress Room  
3801 S. Pine Island Rd, Davie FL 33328  
June 7, 2022 at 10:00 A.M.**

**1. CALL TO ORDER**

The meeting was called to order at 10:00 a.m.

**2. ROLL CALL**

Present at the meeting were Chairman John Phillips, Vice Chair William Ackerman, Secretary Evelyn Roig and Trustee Kevin Montaldi. Also present were Jeremy Langley, Laura Underhill & Jessica Johnson, FMPTF; Anna Klausner Parish, Klausner & Kaufman.

**A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to approve Trustee Garagozzo's absence. The motion carried unanimously.**

**3. MINUTES MARCH 1, 2022 MEETING**

Trustees reviewed the minutes from the March 1, 2022 meeting. Vice Chair Ackerman had a change on item 4A at the end of the 2<sup>nd</sup> paragraph, changing "in" to "on"; Secretary Roig had a change on item 5B, with Gillian's last name "Brewster" to be included; and Trustee Montaldi stated that regarding item 5B, he had been sworn in.

**A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to approve the minutes as amended. The motion carried unanimously.**

**4. NEW BUSINESS**

**A. RATIFICATION OF INVOICE PAYMENTS**

Trustees reviewed the list of invoices that had been paid.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to ratify all invoice payments approved by Chairman Phillips. The motion carried unanimously.**

**B. RETIREMENTS & LUMP SUMS FOR APPROVAL**

Trustees reviewed the list of new retirees and lumpsum payments.

**A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to approve the lump sum distributions and DROP retirement approved by Chairman Phillips. The motion carried unanimously.**

**C. QUARTERLY INVESTMENT RETURNS MARCH 31, 2022**

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Mr. Langley reviewed the investment returns through March 31, 2022. The investment return for the quarter was (4.79)%; the 3-year return was 9.85%; the 5-year return was 8.79% and the 10-year return was 8.11%.

**D. ADMINISTRATIVE POLICY ON EARNINGS USED FOR THOSE MEMBERS WHO ENTERED THE PLAN IN 2021**

Ms. Klausner Parish provided an overview of the administrative policy for review.

Secretary Roig and Vice Chair Ackerman provided some corrections. Ms. Klausner Parish would make the corrections and bring back to the September meeting for approval.

**5. A. PLAN ATTORNEY COMMENTS**

Ms. Klausner Parish stated there was information that went out to Trustees regarding a possible coordination of benefits.

She then discussed the rollovers from the prior meeting from one plan to another plan with the Town. If the Town chose to pursue a coordination of benefits, then the member who transferred to another plan within the Town could rollover their contributions to the other plan. This could only occur if there was a coordination of benefits.

**B. TRUSTEES COMMENTS**

Vice Chair Ackerman requested trustees to approve the FPPTA membership be automatically renewed each year.

**A motion was presented by Secretary Roig and seconded by Chairman Phillips to approve the FPPTA annual membership dues to be paid automatically. The motion carried unanimously.**

Vice Chair Ackerman spoke on the employees who switched from General to Management in the Plan. He asked how the DROP would work for those employees since they have 2 different retirement dates. There was a discussion as to whether there were 2 different retirement dates for their management portion and their general portion. Ms. Klausner Parish would research this further and report back at the next meeting.

**C. PLAN ADMINISTRATOR COMMENTS**

There were no additional comments.

**6. 2022 MEETINGS – SEPTEMBER 6 & DECEMBER 6 AT 10:00 A.M.**

**7. PUBLIC COMMENTS**

There were no public comments.



MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES  
June 7, 2022

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**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:42 a.m.

**FINAL MINUTES**

**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: Pine Island Multipurpose Center, Cypress Room  
3801 S. Pine Island Rd, Davie FL 33328  
September 6, 2022 at 10:00 A.M.**

**1. CALL TO ORDER**

The meeting was called to order at 10:02 a.m.

**2. ROLL CALL**

Present at the meeting were Chairman John Phillips, Vice Chair William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee Kevin Montaldi. Also present were Jeremy Langley, FMPTF; Anna Klausner Parish, Klausner & Kaufman, *arrived at 10:04 a.m.*

**3. MINUTES JUNE 7, 2022 MEETING**

Trustees reviewed the minutes from the June 7, 2022 meeting. Vice Chair Ackerman had a change on item 3 to change the minutes from March 1, 2021 to 2022.

**A motion was presented by Vice Chair Ackerman and seconded by Secretary Roig to approve the minutes as amended. The motion carried unanimously.**

**4. NEW BUSINESS**

**A. RATIFICATION OF INVOICE PAYMENTS**

Trustees reviewed the list of invoices that had been paid.

**A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to ratify all invoice payments approved by Chairman Phillips. The motion carried unanimously.**

**B. RETIREMENTS & LUMP SUMS FOR APPROVAL**

Trustees reviewed the list of new retirees and lumpsum payments.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the lump sum distributions and retirement benefit payments approved by Chairman Phillips. The motion carried unanimously.**

**C. CONTINUED DISCUSSION REGARDING GENERAL EMPLOYEES  
PROMOTED TO MANAGEMENT WITH DIFFERENT RETIREMENT  
DATES**

Ms. Klausner Parish stated it was clarified there were two different retirement dates for those general employees who were promoted to management employees. There was a discussion of an employee having two different retirement dates and in-service distributions. There was also a discussion of having two different DROP dates due to two different retirement dates.

**A motion was presented by Chairman Phillips and seconded by Trustee Montaldi to have the pension attorney research the plan whether there is only one specific DROP entry date. If it is a set date, then have the pension attorney explore other cities and talk to the actuary about extending the period of time to enter the DROP to either 10 years or to eliminate the window altogether. If there would be an effect on the plan, there is to be a cost study prepared if Administration is okay with the cost of the study to be prepared. The motion carried unanimously.**

Chairman Phillips asked Vice Chair Ackerman to also ask Administration about those employees who were promoted to move their general retirement date to the management retirement date. Vice Chair Ackerman would have the discussion with Administration and would invite Administration to attend the next meeting.

**D. ADMINISTRATIVE POLICY ON EARNINGS USED FOR THOSE MEMBERS WHO ENTERED THE PLAN IN 2021**

Ms. Klausner Parish revised the policy as requested at the last meeting. Vice Chair Ackerman stated there was one correction. She would make the correction and send the revised policy back to be signed.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the administrative policy on average final compensation calculation for prior DC members who joined the DB Plan as amended. The motion carried unanimously.**

**E. QUARTERLY INVESTMENT RETURNS JUNE 30, 2022**

Mr. Langley reviewed the investment returns through June 30, 2022. The investment return for the quarter was (8.80)%; the 3-year return was 5.09%; the 5-year return was 6.14% and the 10-year return was 7.30%.

**5. A. PLAN ATTORNEY COMMENTS**

There were no additional comments.

**B. TRUSTEES COMMENTS**

Trustee Garagozzo asked about member training. She stated spring would be the best time of year to have the training for employees. Mr. Langley stated this would be fine and for her to get in touch with Ms. Underhill to set this up.

**C. PLAN ADMINISTRATOR COMMENTS**

Mr. Langley stated his office is trying to get trustees to get set up for text reminders.

**6. 2022 MEETINGS –DECEMBER 6 AT 10:00 A.M.**

**7. PUBLIC COMMENTS**

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES  
September 6, 2022

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There were no public comments.

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 11:26 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES MINUTES  
TOWN OF DAVIE**

**Location: Pine Island Multipurpose Center, Cypress Room  
3801 S. Pine Island Rd, Davie FL 33328  
December 6, 2022 at 10:00 A.M.**

**1. CALL TO ORDER**

The meeting was called to order at 10:00 a.m.

**2. ROLL CALL**

Present at the meeting were Chairman John Phillips, Vice Chair William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee Kevin Montaldi. Also present were Jeremy Langley, FMPTF; Anna Klausner Parish, Klausner & Kaufman.

**3. MINUTES SEPTEMBER 6, 2022 MEETING**

Trustees reviewed the minutes from the September 6, 2022 meeting.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Montaldi to approve the minutes as presented. The motion carried unanimously.**

**4. NEW BUSINESS**

**A. REVIEW AND APPROVAL OF THE 2022 ACTUARIAL VALUATION**

Mr. Langley provided an overview of the 2022 actuarial valuation. He mentioned their plan uses a 5-year smoothing so the increase in the employer contribution wasn't substantial. He stated the plan is 109% funded.

Vice Chair Ackerman brought up that they should increase what is used for the average expected salary increase to be in line with what the valuation is showing.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Garagozzo to approve the 2022 actuarial valuation as presented. The motion carried unanimously.**

**B. SET ANNUAL RATE OF RETURN**

**A motion was presented by Vice Chair Ackerman and seconded by Chairman Phillips to set the annual rate of return at 7%. The motion carried unanimously.**

**C. RATIFICATION OF INVOICE PAYMENTS**

Trustees reviewed the list of invoices that had been paid.

**A motion was presented by Trustee Garagozzo and seconded by Trustee Montaldi to ratify all invoice payments approved by Chairman Phillips. The motion carried unanimously.**

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**D. RETIREMENTS & LUMP SUMS FOR APPROVAL**

Trustees reviewed the list of new retirees and lumpsum payments.

**A motion was presented by Vice Chair Ackerman and seconded by Trustee Phillips to approve the lump sum distributions and retirement benefit payments approved by Chairman Phillips. The motion carried unanimously.**

**E. CONTINUED DISCUSSION REGARDING GENERAL EMPLOYEES PROMOTED TO MANAGEMENT WITH DIFFERENT RETIREMENT DATES**

Vice Chair Ackerman stated at the last meeting they discussed a possibility of allowing an employee who was promoted to management to collect their general pension at the management retirement date. He spoke to administration about this, and administration needs more time to think about this issue. Regarding the DROP entry date discussion, he stated currently there is only one DROP entry date for those employees who are promoted to a management position. He stated that administration doesn't want to look at changing the DROP entry date at this time.

**F. QUARTERLY INVESTMENT RETURNS SEPTEMBER 30, 2022**

Mr. Langley reviewed the investment returns through September 30, 2022. The investment return for the fiscal year was (13.28)%; the quarter return was (4.27)%; the 3-year return was 3.35%; the 5-year return was 4.57% and the 10-year return was 6.42%.

**5. A. PLAN ATTORNEY COMMENTS**

There were no additional comments.

**B. TRUSTEES COMMENTS**

Vice Chair Ackerman stated he believed the term expiration dates on the agenda were incorrect. Secretary Roig stated she would check on it. There was a discussion of the dates. Trustee Montaldi asked about the FPPTA membership. Vice Chair Ackerman stated that Ms. Gray from his office renews the board membership every year. Chairman Phillips stated he and Ms. Hall went through the certification in the past; he would like to get certified again.

**C. PLAN ADMINISTRATOR COMMENTS**

Mr. Langley brought up the texting reminders for board meetings.

**6. 2023 PROPOSED MEETING DATES AT 10:00 A.M.**

March 7

June 6

September 5

December 5

**7. PUBLIC COMMENTS**

MANAGEMENT AND GENERAL EMPLOYEES PENSION  
BOARD OF TRUSTEES *FINAL* MINUTES  
December 6, 2022

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There were no public comments.

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:45 a.m.

**FINAL MINUTES**  
**MANAGEMENT AND GENERAL EMPLOYEES PENSION**  
**BOARD OF TRUSTEES MINUTES**  
**TOWN OF DAVIE**

**Location: Pine Island Multipurpose Center, Cypress Room**  
**3801 S. Pine Island Rd, Davie FL 33328**  
**March 7, 2023 at 10:00 A.M.**

**1. CALL TO ORDER**

The meeting was called to order at 10:01 a.m.

**2. ROLL CALL**

Present at the meeting were Chairman John Phillips, Vice Chair William Ackerman, Secretary Evelyn Roig, Trustee Grace Garagozzo and Trustee Kevin Montaldi. Also present were Jeremy Langley, FMPTF; Anna Klausner Parish, Klausner & Kaufman.

**3. MINUTES DECEMBER 6, 2022 MEETING**

Trustees reviewed the minutes from the December 6, 2022 meeting.

**A motion was presented by Secretary Roig and seconded by Vice Chair Ackerman to approve the minutes as presented. The motion carried unanimously.**

**4. NEW BUSINESS**

**A. RATIFICATION OF INVOICE PAYMENTS**

Trustees reviewed the list of invoices that had been paid.

**A motion was presented by Secretary Roig and seconded by Trustee Garagozzo to ratify all invoice payments approved by Chairman Phillips. The motion carried unanimously.**

**B. RETIREMENTS & LUMP SUMS FOR APPROVAL**

Trustees reviewed the list of new retirees and lumpsum payments.

**A motion was presented by Secretary Roig and seconded by Chairman Phillips to approve the lump sum distributions and retirement benefit payments approved by Chairman Phillips. The motion carried unanimously.**

**C. QUARTERLY INVESTMENT RETURNS DECEMBER 31, 2022**

Mr. Langley reviewed the investment returns through December 31, 2022. The investment return for the quarter return was 5.89%; the 3-year return was 3.63%; the 5-year return was 5.01% and the 10-year return was 6.91%.

**5. A. PLAN ATTORNEY COMMENTS**

Ms. Klausner Parish provided an overview of the following memorandums provided to trustees:

- i) Memorandum on maintaining internal controls to protect against fraud and abuse



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- ii) Memorandum on SECURE 2.0 Act

**B. TRUSTEES COMMENTS**

Trustee Garagozzo mentioned the employee pension sessions have been scheduled for June 6<sup>th</sup> and June 7<sup>th</sup>. Vice Chair Ackerman asked Ms. Klausner Parish about ESG. She stated there's nothing they need to do at this point. Secretary Roig asked if the employee sessions could be recorded. Trustee Garagozzo stated they could do this.

**C. PLAN ADMINISTRATOR COMMENTS**

There were no additional comments.

- 6. **Next meeting date:** June 6, 2023 at 10:00 a.m.

**7. PUBLIC COMMENTS**

There were no public comments.

Vice Chair Ackerman stated he brought up the topic of an unlimited DROP entry date to Administration and they aren't interested at this point. The topic of having two different DROP entry dates for an employee who was promoted from General to Management was brought up. Vice Chair Ackerman stated Administration is still thinking about this and also thinking about an actuarial equivalent for those employees.

**8. ADJOURNMENT**

With there being no further business to discuss, the meeting was adjourned at 10:33 a.m.



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**DESIGNATED BENEFIT PLAN  
FIDUCIARY LIABILITY COVERAGE  
DECLARATIONS**

POLICY NO. 105965174

**Travelers Casualty and Surety Company of America**  
**Hartford, Connecticut**  
(A Stock Insurance Company, herein called the Company)

**THIS LIABILITY COVERAGE IS WRITTEN ON A CLAIMS-MADE BASIS. THIS LIABILITY COVERAGE COVERS ONLY CLAIMS FIRST MADE AGAINST INSURED DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS OR JUDGMENTS WILL BE REDUCED BY DEFENSE EXPENSES, AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION. THE COMPANY HAS NO DUTY TO DEFEND ANY CLAIM UNLESS DUTY-TO-DEFEND COVERAGE HAS BEEN SPECIFICALLY PROVIDED HEREIN.**

<b>ITEM 1</b>	<b>BENEFIT PLAN:</b>  TOWN OF DAVIE GENERAL & MANAGEMENT EMPLOYEES RETIREMENT PLAN  Principal Address: 6591 ORANGE DRIVE DAVIE, FL 33314
<b>ITEM 2</b>	<b>INSURANCE REPRESENTATIVE:</b>  Florida League of Cities, Inc  D/B/A:  Principal Address: 125 East Colonial Drive ORLANDO, FL 32801
<b>ITEM 3</b>	<b>POLICY PERIOD:</b>  Inception Date: July 12, 2023                      Expiration Date: July 12, 2024 12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.
<b>ITEM 4</b>	<b>ALL NOTICES OF CLAIM OR LOSS MUST BE SENT TO THE COMPANY BY EMAIL, FACSIMILE, OR MAIL AS SET FORTH BELOW:</b>  Email: BSIclaims@travelers.com Fax: 1-888-460-6622  Mail: Travelers Bond & Specialty Insurance Claim P.O. Box 2989

Hartford, CT 06104-2989

Overnight Mail: Travelers Bond & Specialty Insurance Claim  
One Tower Square, S202A  
Hartford, CT 06183

For questions related to claim reporting or handling, please call 1-800-842-8496.

**ITEM 5**

Only those coverage features marked "☒ Applicable" are included in this **Policy**.

**DESIGNATED BENEFIT PLAN FIDUCIARY LIABILITY COVERAGE**

**Limit of Liability:** \$1,000,000 for all **Claims**

**Settlement Program Limit of Liability** \$250,000 for each **Settlement Program Notice**, which amount is included within, and not in addition to, any applicable limit of liability

**HIPAA Limit of Liability** \$1,000,000 which amount is included within, and not in addition to, any applicable limit of liability

**502(c) Penalties Limit of Liability** \$250,000 which amount is included within, and not in addition to, any applicable limit of liability

**Additional Defense Coverage:** ☐ Applicable ☒ Not Applicable

**Additional Defense Limit of Liability:** Not Covered for all **Claims**

**Retention:** \$5,000 for each **Claim** under Insuring Agreement A

**Prior and Pending Proceeding Date:** July 12, 2013

**Continuity Date:** July 12, 2013

**ITEM 6**

**PREMIUM FOR THE POLICY PERIOD:**

\$5,683.00 Policy Premium

N/A Annual Installment Premium

**ITEM 7**

**TYPE OF COVERAGE:**

☐ Reimbursement

☒ Duty-to-Defend

Only the type of coverage marked "☒" is included in this **Policy**.

**ITEM 8**

**EXTENDED REPORTING PERIOD:**

Additional Premium Percentage: 75%

	<p>Additional Months: 12</p> <p>(If exercised in accordance with section <b>V. CONDITIONS, M. EXTENDED REPORTING PERIOD</b>, of the Designated Benefit Plan Fiduciary Liability Coverage)</p>
<b>ITEM 9</b>	<p><b><u>RUN-OFF EXTENDED REPORTING PERIOD:</u></b></p> <p>Additional Premium Percentage: 250%</p> <p>Additional Months: 36</p> <p>(If exercised in accordance with section <b>V. CONDITIONS, K. CHANGE OF CONTROL</b>, of the Designated Benefit Plan Fiduciary Liability Coverage)</p>
<b>ITEM 10</b>	<p><b>ANNUAL REINSTATEMENT OF THE LIMIT OF LIABILITY:</b></p> <p><input type="checkbox"/> Applicable</p> <p><input checked="" type="checkbox"/> Not Applicable</p> <p>Only those coverage features marked "<input checked="" type="checkbox"/> Applicable" are included in this <b>Policy</b>.</p>
<b>ITEM 11</b>	<p><b>FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE:</b></p> <p>AFE-19038-1119; AFE-19029-0719; AFE-19030-0920; DBP-17055-1112; DBP-16001-1112; DBP-19001-1112; DBP-19003-1112; DBP-19083-0315; DBP-17009-1112</p>

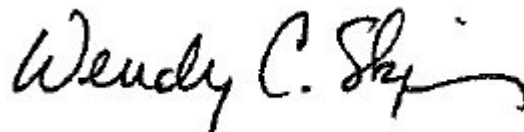
**THE DECLARATIONS, THE APPLICATION, THE DESIGNATED BENEFIT PLAN FIDUCIARY LIABILITY COVERAGE, AND ANY ENDORSEMENTS ATTACHED THERETO, CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE COMPANY AND THE INSURED.**

\_\_\_\_\_  
Countersigned By

IN WITNESS WHEREOF, the Company has caused this **Policy** to be signed by its authorized officers.



President



Corporate Secretary

The following premium, tax, and surcharge amounts apply to this Policy as of the inception date.

\$5,683.00	Policy Premium
\$39.78	Florida Guaranty Fund Surcharge
\$5,722.78	Total

This endorsement modifies any Coverage Part or Coverage Form included in this Policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended.

## Cap On Losses From Certified Acts Of Terrorism Endorsement

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The following is added to this Policy. This provision can limit coverage for any loss arising out of a *Certified Act Of Terrorism* if such loss is otherwise covered by this Policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of *Certified Acts Of Terrorism* in another endorsement to this policy.

If aggregate insured losses attributable to *Certified Acts Of Terrorism* exceed \$100 billion in a calendar year and the Insurer has met its insurer deductible under *TRIA*, the Insurer will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

*Certified Act Of Terrorism* means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of *TRIA*, to be an act of terrorism pursuant to *TRIA*. The criteria contained in *TRIA* for a *Certified Act Of Terrorism* include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to *TRIA*; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

*TRIA* means the federal Terrorism Risk Insurance Act of 2002 as amended.

This endorsement modifies any Coverage Part or Coverage Form included in this Policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended.

## Federal Terrorism Risk Insurance Act Disclosure Endorsement

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The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA"), establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The Federal Government's share of compensation for such Insured Losses is 80% of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA).

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

For each coverage provided by this policy that applies to such Insured Losses, the charge for such Insured Losses is no more than one percent of your premium, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA. Please note that no separate additional premium charge has been made for coverage for Insured Losses covered by TRIA. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium.

## TABLE OF CONTENTS – FLORIDA

This endorsement changes the following:

### Designated Benefit Plan Fiduciary Liability

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#### It is agreed that:

The following is added to the **Policy**:

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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Issuing Company: Travelers Casualty and Surety Company of America

Policy Number: 105965174

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## DESIGNATED BENEFIT PLAN FIDUCIARY LIABILITY COVERAGE

**THIS IS A CLAIMS MADE COVERAGE WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY.  
PLEASE READ ALL TERMS CAREFULLY.**

### **I. INSURING AGREEMENTS**

- A. The Company will pay on behalf of the **Insured**, **Loss** for any **Claim** first made during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period, for a **Wrongful Act**.
- B. The Company will pay on behalf of the **Insured**, **Settlement Fees** and **Defense Expenses** incurred by the **Insured** in connection with any **Settlement Program Notice**; provided that participation by the **Insured** in any **Settlement Program** commences during the **Policy Period** or, if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period.

### **II. DEFINITIONS**

Wherever appearing in this **Policy**, the following words and phrases appearing in bold type will have the meanings set forth in this section II. DEFINITIONS:

- A. **Additional Defense Limit of Liability** means the amount set forth in ITEM 5 of the Declarations. If "*Not Applicable*" is selected for the **Additional Defense Limit of Liability**, then any reference to the **Additional Defense Limit of Liability** will be deemed to be deleted from this **Policy**.
- B. **Administration** means:
  - 1. giving counsel, advice, or notice to participants or beneficiaries with respect to a **Benefit Plan**;
  - 2. interpreting a **Benefit Plan**;
  - 3. handling records in connection with a **Benefit Plan**; or
  - 4. effecting enrollment, termination or cancellation of participants or beneficiaries under a **Benefit Plan**.
- C. **Annual Reinstatement of the Limit of Liability** means, if included in ITEM 10 of the Declarations, the reinstatement of each applicable limit of liability for each **Policy Year** during the **Policy Period**.
- D. **Application** means the application deemed to be attached to and forming a part of this **Policy**, including any materials submitted and statements made in connection with that application. If the **Application** uses terms or phrases that differ from the terms defined in this **Policy**, no inconsistency between any term or phrase used in the **Application** and any term defined in this **Policy** will waive or change any of the terms, conditions and limitations of this **Policy**.
- E. **Benefit Plan** means only those plans or trusts set forth in ITEM 1 of the Declarations or those plans or trusts designated within an endorsement to this **Policy**.
- F. **Benefit Plan Committee** means any committee of the **Benefit Plan**, including any **Benefit Plan** investment or administration committee, that is established by the **Benefit Plan** and that is comprised entirely of **Insured Persons**.

- G. *Benefit Plan Official*** means a natural person officer, including any executive director or functional equivalent thereof; member of the board of trustees; in-house risk manager; or in-house general counsel of the **Benefit Plan**.
- H. *Change of Control*** means:
1. the full assumption of fiduciary responsibilities or **Administration**, with respect to a **Benefit Plan** by one or more other persons or entities; or
  2. the acquisition of a **Benefit Plan**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of a **Benefit Plan** into or with another entity or employee benefit plan such that the **Benefit Plan** is not the surviving entity.
- I. *Claim*** means:
1. a written demand for monetary damages or non-monetary relief;
  2. a civil proceeding commenced by service of a complaint or similar pleading;
  3. a criminal proceeding commenced by filing of charges;
  4. a formal administrative or regulatory proceeding commenced by filing of a notice of charges, formal investigative order, service of summons or similar document, including a fact-finding investigation by the Department of Labor or the Pension Benefit Guaranty Corporation;
  5. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
  6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,
- against an **Insured** for a **Wrongful Act**.
- A **Claim** will be deemed to have been made on the earliest date written notice thereof is received by an **Insured**.
- J. *Defense Expenses*** means reasonable and necessary legal fees and expenses incurred by the Company or the **Insured**, with the Company's consent, in the investigation, defense, settlement and appeal of a **Claim**, including cost of expert consultants and witnesses, premiums for appeal, injunction, attachment or supersedeas bonds (without the obligation to furnish such bonds) regarding such **Claim**; provided that **Defense Expenses** will not include the salaries, wages, benefits or overhead of, or paid to, any **Insured** or any employee of such **Insured**.
- K. *HIPAA*** means the Health Insurance Portability and Accountability Act of 1996, as amended.
- L. *Insurance Representative*** means the entity or person so designated by endorsement to this **Policy** .
- M. *Insured*** means:
1. the **Insured Persons**;
  2. any **Benefit Plan**; and
  3. any **Benefit Plan Committee** in its capacity as a fiduciary or trustee of a **Benefit Plan**, or in its **Administration** of a **Benefit Plan**.

- N. *Insured Person*** means any natural person who was, is now or becomes a trustee; committee member; officer; in-house general counsel; or employee of a **Benefit Plan**, but only while acting in his or her capacity as a fiduciary of a **Benefit Plan** or as a person performing **Administration**.
- In the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** against the estate, heirs, legal representatives or assigns of such **Insured Person** for a **Wrongful Act** of such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**.
- O. *Loss*** means **Defense Expenses** and money which an **Insured** is legally obligated to pay as a result of a **Claim**, including settlements; judgments; compensatory damages; punitive or exemplary damages or the multiple portion of any multiplied damage award if insurable under the applicable law most favorable to the insurability of punitive, exemplary, or multiplied damages; prejudgment and post judgment interest; and legal fees and expenses awarded pursuant to a court order or judgment; and solely with respect to section I. INSURING AGREEMENTS B. of this **Policy**, **Settlement Fees**. **Loss** does not include:
1. civil or criminal fines (except **Settlement Fees** pursuant to Insuring Agreement B.; **Section 502(c) Penalties**; civil penalties under Sections 502(i) and 502(l) of the Employee Retirement Income Security Act of 1974, as amended; or civil penalties under the privacy provisions of **HIPAA**); sanctions; liquidated damages; payroll or other taxes; or damages or types of relief deemed uninsurable under applicable law;
  2. payment of medical benefits, pension benefits, severance, or any other benefit provided under a **Benefit Plan** which are or may become due, except to the extent that such sums are payable as a personal obligation of an **Insured Person**, because of such **Insured Person's Wrongful Act**; provided that this exclusion will not apply to:
    - a. the Company's obligation to defend any **Claim**, if applicable, or to pay, advance or reimburse **Defense Expenses**, regarding a **Claim** seeking such benefits; or
    - b. that portion of any damage, settlement or judgment covered as **Loss** under this **Policy** that represents a loss to any **Benefit Plan**, or loss to any account of a participant in any **Benefit Plan**, by reason of a change in value of any investments held by such **Benefit Plan** or such account, notwithstanding that such portion of any such damage, settlement or judgment has been characterized by plaintiffs, or held by a court of law, to be "benefits"; or
  3. any amount allocated to non-covered loss pursuant to section V. CONDITIONS, R. ALLOCATION, of this **Policy**.
- P. *Policy*** means, collectively, the Declarations, the **Application**, this Designated Benefit Plan Fiduciary Liability Coverage, and any endorsements attached hereto.
- Q. *Policy Period*** means the period from the Inception Date to the Expiration Date set forth in ITEM 3 of the Declarations. In no event will the **Policy Period** continue past the effective date of cancellation or termination of this **Policy**.
- R. *Policy Year*** means:
1. the period of one year following the Inception Date set forth in ITEM 3 of the Declarations or any anniversary thereof; and
  2. the time between the Inception Date set forth in ITEM 3 of the Declarations or any anniversary thereof and the effective date of cancellation or termination of this **Policy** if such time period is less than one year.
- S. *Pollutant*** means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- T. **Potential Claim** means any **Wrongful Act** that may subsequently give rise to a **Claim**.
- U. **Related Wrongful Act** means all **Wrongful Acts** that have as a common nexus, or are causally connected by reason of, any fact, circumstance, situation, event or decision.
- V. **Section 502(c) Penalties** means civil penalties imposed on any **Insured** pursuant to Section 502(c) of the Employee Retirement Income Security Act of 1974, as amended.
- W. **Settlement Fees** mean any fees, penalties or sanctions imposed by law under a **Settlement Program** that any **Insured** becomes legally obligated to pay as a result of a **Wrongful Act**. **Settlement Fees** will not include any costs or expenses other than such fees, penalties or sanctions.
- X. **Settlement Program** means any voluntary compliance resolution program or similar voluntary settlement program, administered by the Internal Revenue Service or Department of Labor of the United States, including the Employee Plans Compliance Resolution System, the Self Correction Program, the Audit Closing Agreement Plan, the Delinquent Filer Voluntary Compliance program, and the Voluntary Fiduciary Correction program, entered into by a **Benefit Plan**.
- Y. **Settlement Program Notice** means a prior written notice to the Company by the **Insured** of the **Insured's** intent to enter into a **Settlement Program**.
- Z. **Wrongful Act** means:
1. any actual or alleged breach of fiduciary duty by or on behalf of the **Insured** with respect to any **Benefit Plan**, including:
    - a. any actual or alleged breach of duties, obligations and responsibilities imposed by the Employee Retirement Income Security Act of 1974, as amended, COBRA, **HIPAA**, or by any similar or related federal, state, local, or foreign law or regulation, in the discharge of the **Insured's** duties with respect to a **Benefit Plan**; or
    - b. any other matter claimed against an **Insured** solely because of the **Insured's** status as a fiduciary of a **Benefit Plan**; or
  2. any actual or alleged negligent act, error or omission by or on behalf of the **Insured** in the **Administration** of a **Benefit Plan**.

All **Related Wrongful Acts** are a single **Wrongful Act** for purposes of this **Policy**, and all **Related Wrongful Acts** will be deemed to have occurred at the time the first of such **Related Wrongful Acts** occurred whether prior to or during the **Policy Period**.

### **III. EXCLUSIONS**

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#### **A. EXCLUSIONS APPLICABLE TO ALL LOSS**

1. The Company will not be liable for **Loss** for any **Claim** for any damage to, or destruction of, loss of, or loss of use of, any tangible property including damage to, destruction of, loss of, or loss of use of, tangible property that results from inadequate or insufficient protection from soil or ground water movement, soil subsidence, mold, toxic mold, spores, mildew, fungus, or wet or dry rot.
2. The Company will not be liable for **Loss** for any **Claim** for any bodily injury, sickness, disease, death, loss of consortium, emotional distress, mental anguish, or humiliation.
3. The Company will not be liable for **Loss** for any **Claim**:
  - a. based upon or arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any **Pollutant**;

- b. based upon or arising out of any request, demand, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, any **Pollutant**, or
- c. brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, any **Pollutant**;

provided this exclusion will not apply to any **Claim** by or on behalf of a beneficiary of, or participant in, any **Benefit Plan** based upon, arising from or in consequence of the diminution in value of any securities owned by the **Benefit Plan** in any organization if such diminution in value is allegedly as a result of a **Pollutant**.

- 4. The Company will not be liable for **Loss** for any **Claim** for any liability of others assumed by an **Insured** under any contract or agreement, whether oral or written, other than a **Benefit Plan**, except to the extent that the **Insured** would have been liable in the absence of such contract or agreement.
- 5. The Company will not be liable for **Loss** for any **Claim** for any violation of responsibilities, duties or obligations under any law concerning Social Security, unemployment insurance, workers' compensation, disability insurance, or any similar or related federal, state or local law or regulation other than COBRA, **HIPAA** or the Employee Retirement Income Security Act of 1974, including amendments thereto and regulations promulgated thereunder or any similar common or statutory law.
- 6. The Company will not be liable for **Loss** for any **Claim** based upon or arising out of any fact, circumstance, situation, event or **Wrongful Act** underlying or alleged in any prior or pending civil, criminal, administrative or regulatory proceeding against any **Insured** as of or prior to the applicable Prior and Pending Proceeding Date set forth in ITEM 5 of the Declarations for this **Policy**.
- 7. The Company will not be liable for **Loss** for any **Claim** for any fact, circumstance, situation or event that is or reasonably would be regarded as the basis for a claim about which any **Benefit Plan Official** had knowledge prior to the applicable Continuity Date set forth in ITEM 5 of the Declarations for this **Policy**.
- 8. The Company will not be liable for **Loss** for any **Claim** based upon or arising out of any fact, circumstance, situation, event, or **Wrongful Act** which, before the Inception Date set forth in ITEM 3 of the Declarations, was the subject of any notice of claim or potential claim given by or on behalf of any **Insured** under any policy of insurance of which this **Policy** is a direct renewal or replacement or which it succeeds in time.

## **B. EXCLUSIONS APPLICABLE TO LOSS, OTHER THAN DEFENSE EXPENSES**

- 1. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** based upon or arising out of any **Insured**:
  - a. committing any intentionally dishonest or fraudulent act or omission;
  - b. committing any willful violation of any statute, rule, or law; or
  - c. gaining any profit, remuneration or advantage to which such **Insured** was not legally entitled;

provided that this exclusion will not apply unless a final adjudication establishes that such **Insured** committed such intentionally dishonest or fraudulent act or omission, willful violation of any

statute, rule or law, or gained such profit, remuneration or advantage to which such **Insured** was not legally entitled.

2. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** seeking costs and expenses incurred or to be incurred to comply with an order, judgment or award of injunctive or other equitable relief of any kind, or that portion of a settlement encompassing injunctive or other equitable relief, including actual or anticipated costs and expenses associated with or arising from an **Insured's** obligation to provide reasonable accommodation under, or otherwise comply with, the Americans With Disabilities Act or the Rehabilitation Act of 1973, including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law or regulation.
3. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim**:
  - a. based upon or arising out of the failure to collect from employers any contributions owed to a **Benefit Plan**, unless the failure is the result of a negligence by any **Insured**; or
  - b. for the return of any contributions to any employer if such amounts are or could be chargeable to a **Benefit Plan**.

#### C. EXCLUSIONS APPLICABLE TO INSURING AGREEMENT B

The Company will pay no **Settlement Fees** or **Defense Expenses** with respect to any **Claim** or investigation in connection with a **Settlement Program**, of which any **Insured** first became aware or received notice prior to the applicable Prior and Pending Proceeding Date set forth in ITEM 5 of the Declarations for this **Policy**.

#### IV. SEVERABILITY OF EXCLUSIONS

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No conduct of any **Insured** will be imputed to any other **Insured** to determine the application of any of the exclusions set forth in section III. EXCLUSIONS above.

#### V. CONDITIONS

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##### A. TERRITORY

This **Policy** applies to **Claims** made or **Wrongful Acts** occurring anywhere in the world, where legally permissible.

##### B. RETENTION

The **Insured** shall bear uninsured at its own risk the amount of any applicable Retention, which amount must be paid in satisfaction of **Loss**.

If any **Claim** gives rise to coverage under this **Policy**, the Company has no obligation to pay **Loss**, including **Defense Expenses**, until the applicable Retention amount set forth in ITEM 5 of the Declarations has been paid by the **Insured**.

If any **Claim** is subject to different Retentions under this **Policy**, the applicable Retentions will be applied separately to each part of such **Claim**, but the sum of such Retentions will not exceed the largest applicable Retention under this **Policy**.

The Company, at its sole discretion, may pay all or part of the Retention amount on behalf of any **Insured**, and in such event, the **Insureds** agree to repay the Company any amounts so paid.

However, none of the Retention amounts set forth in ITEM 5 of the Declarations will apply to:

1. **Settlement Fees** under section I. INSURING AGREEMENTS, B., of this **Policy**;

2. **502(c) Penalties**; or
3. civil penalties under the privacy provisions of **HIPAA**.

## C. **LIMIT OF LIABILITY**

1. Limit of Liability

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, and further subject to any applicable **Annual Reinstatement of the Limit of Liability**, the Company's maximum limit of liability for all **Loss**, including **Defense Expenses**, for all **Claims** under this **Policy** will not exceed the remaining Limit of Liability stated in ITEM 5 of the Declarations.

2. Settlement Program Limit of Liability

The Company's maximum limit of liability for all **Settlement Fees** and **Defense Expenses** in connection with each **Settlement Program Notice** will not exceed the amount set forth in ITEM 5 of the Declarations as the Settlement Program Limit of Liability for each **Settlement Program Notice**, which amount is included within, and not in addition to, any applicable limit of liability. However, if ITEM 5 of the Declarations indicates that Additional Defense Coverage is applicable, **Defense Expenses** incurred in connection with a **Settlement Program Notice** will apply first to and reduce the remaining **Additional Defense Limit of Liability**; provided that the Settlement Program Limit of Liability will be reduced and may be exhausted by payment of such **Defense Expenses** under the **Additional Defense Limit of Liability**.

Furthermore, in the event a **Claim** covered under Insuring Agreement A. and a **Settlement Program Notice** covered under Insuring Agreement B. arise from the same facts, circumstances, situations, or events, the Company's maximum limit of liability under Insuring Agreement B. for the **Settlement Program Notice** will not exceed the amount set forth in ITEM 5 of the Declarations as the Settlement Program Limit of Liability for each **Settlement Program Notice**, but such limit will apply only to all **Settlement Fees** in connection with such **Settlement Program Notice**. In such an event, **Defense Expenses** incurred in connection with the **Claim** and the **Settlement Program Notice** will be subject to the Limit of Liability for each **Claim** stated in ITEM 5 of the Declarations.

3. HIPAA Limit of Liability

The Company's maximum limit of liability for all civil money penalties under the privacy provisions of **HIPAA** will not exceed the amount set forth in ITEM 5 of the Declarations as the HIPAA Limit of Liability, which amount is included within, and not in addition to, any applicable limit of liability.

4. 502(c) Penalties Limit of Liability

The Company's maximum limit of liability for all **Section 502(c) Penalties** will not exceed the amount set forth in ITEM 5 of the Declarations as the Section 502(c) Penalties Limit of Liability, which amount is included within, and not in addition to, any applicable limit of liability.

5. Annual Reinstatement of the Limit of Liability

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 10 of the Declarations includes an **Annual Reinstatement of the Limit of Liability**:

- a. the Company's maximum limit of liability for all **Loss**, including **Defense Expenses**, for all **Claims** made during each **Policy Year** will not exceed the remaining limit of liability stated in ITEM 5 of the Declarations; and

- b. with regard to the Extended Reporting Period or the Run-Off Extended Reporting Period, if applicable, the Company's maximum limit of liability for all **Claims** made during the Extended Reporting Period or the Run-Off Extended Reporting Period will not exceed the remaining limit of liability for the last **Policy Year** in effect at the time of the termination or cancellation of this **Policy** or the **Change of Control**.

#### 6. Other Provisions

Payment of **Defense Expenses** will reduce and may exhaust all applicable limits of liability. In the event the amount of **Loss** exceeds the portion of the applicable limit of liability remaining after prior payments of **Loss**, the Company's liability will not exceed the remaining amount of the applicable limit of liability. In no event will the Company be obligated to make any payment for **Loss**, including **Defense Expenses**, with regard to a **Claim** after the applicable limit of liability has been exhausted by payment or tender of payment of **Loss**.

If the limit of liability is exhausted by the payment of amounts covered under this **Policy**, the premium for this **Policy** will be fully earned, all obligations of the Company under this **Policy** will be completely fulfilled and exhausted, including any duty to defend, and the Company will have no further obligations of any kind or nature whatsoever under this **Policy**.

### D. ADDITIONAL DEFENSE COVERAGE

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 5 of the Declarations indicates that this **Policy** includes Additional Defense Coverage, **Defense Expenses** incurred by the Company or the **Insured**, with the Company's consent, in the defense of any **Claim** made during the **Policy Period** under this **Policy** will apply first to and reduce the **Additional Defense Limit of Liability**. The **Additional Defense Limit of Liability** will be in addition to, and not part of, the Limit of Liability. The **Additional Defense Limit of Liability** is applicable to **Defense Expenses** only. If the **Annual Reinstatement of the Limit of Liability** is applicable, the **Additional Defense Limit of Liability** will be reinstated for each **Policy Year**.

Upon exhaustion of the **Additional Defense Limit of Liability**:

1. **Defense Expenses** incurred by the Company or the **Insured**, with the Company's consent, in the defense of a **Claim** are part of and not in addition to any applicable limit of liability; and
2. payment by the Company or the **Insured**, with the Company's consent, of **Defense Expenses** reduces any applicable limit of liability.

### E. CLAIM DEFENSE

1. If Duty-to-Defend coverage is provided with respect to this **Policy** as indicated in ITEM 7 of the Declarations, the Company will have the right and duty to defend any **Claim** covered by this **Policy**, even if the allegations are groundless, false or fraudulent, including the right to select defense counsel with respect to such **Claim**; provided that the Company will not be obligated to defend or to continue to defend any **Claim** after the applicable limit of liability has been exhausted by payment of **Loss**.
2. If Reimbursement coverage is provided with respect to this **Policy** as indicated in ITEM 7 of the Declarations:
  - a. the Company will have no duty to defend any **Claim** covered by this **Policy**. It will be the duty of the **Insured** to defend such **Claims**; and the Company will have the right to participate with the **Insured** in the investigation, defense and settlement, including the negotiation of a settlement of any **Claim** that appears reasonably likely to be covered in whole or in part by this **Policy** and the selection of appropriate defense counsel; and



- b. upon written request, the Company will advance **Defense Expenses** with respect to such **Claim**. Such advanced payments by the Company will be repaid to the Company by the **Insureds** severally according to their respective interests in the event and to the extent that the **Insureds** are not entitled to payment of such **Defense Expenses** under this **Policy**. As a condition of any payment of **Defense Expenses** under this subsection, the Company may require a written undertaking on terms and conditions satisfactory to the Company guaranteeing the repayment of any **Defense Expenses** paid to or on behalf of any **Insured** if it is finally determined that any such **Claim** or portion of any **Claim** is not covered under this **Policy**.
3. The **Insured** agrees to cooperate with the Company and, upon the Company's request, assist in making settlements and in the defense of **Claims** and in enforcing rights of contribution or indemnity against any person or entity which may be liable to the **Insured** because of an act or omission insured under this **Policy**, will attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

#### **F. INSURED'S DUTIES IN THE EVENT OF A CLAIM OR SETTLEMENT PROGRAM NOTICE**

The **Insured's** duty to report a **Claim** commences on the earliest date a written notice thereof is received by a **Benefit Plan Official**. If a **Benefit Plan Official** becomes aware that a **Claim** has been made against any **Insured**, the **Insured**, as a condition precedent to any rights under this **Policy**, must give to the Company written notice of the particulars of such **Claim**, including all facts related to any alleged **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, and the dates of the alleged events, as soon as practicable. The **Insured** agrees to give the Company such information, assistance and cooperation as it may reasonably require.

All notices of **Claims** and **Settlement Program Notices** must be sent to the Company by email, facsimile, or mail as set forth in ITEM 4 of the Declarations and will be effective upon receipt. The **Insured** agrees not to voluntarily settle any **Claim** or enter into a **Settlement Program**, make any settlement offer, assume or admit any liability or, except at the **Insured's** own cost, voluntarily make any payment, pay or incur any **Defense Expenses** or **Settlement Fees**, or assume any obligation or incur any other expense, without the Company's prior written consent, such consent not to be unreasonably withheld. The Company is not liable for any settlement, **Defense Expenses**, **Settlement Fees**, assumed obligation or admission to which it has not consented.

#### **G. NOTICE OF POTENTIAL CLAIMS**

If an **Insured** first becomes aware of a **Potential Claim** during the **Policy Period**, and gives the Company written notice of the particulars of such **Potential Claim**, including all facts related to the **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, the dates of the alleged events, and the reasons for anticipating a **Claim**, as soon as practicable during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period, any **Claim** subsequently made against any **Insured** arising out of such **Wrongful Act** will be deemed to have been made during the **Policy Period**.

All notices under this subsection must be sent to the Company by email, facsimile, or mail as set forth in ITEM 4 of the Declarations and will be effective upon receipt.

#### **H. RELATED CLAIMS**

All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be considered as a single **Claim** or **Potential Claim**, whichever is applicable, for purposes of this **Policy**. All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be deemed to have been made at the time the first of such **Claims** or **Potential Claims** for **Related Wrongful Acts** was made whether prior to or during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period.

#### **I. SETTLEMENT**

The Company may, with the written consent of the **Insured**, make such settlement or compromise of any **Claim** as the Company deems expedient. In the event that the Company recommends an offer of

settlement of any **Claim** which is acceptable to the claimant(s) (a "Settlement Offer"), and if the **Insured** refuses to consent to such Settlement Offer, the **Insured** will be solely responsible for 30% of all **Defense Expenses** incurred or paid by the **Insured** after the date the **Insured** refused to consent to the Settlement Offer, and the **Insured** will also be responsible for 30% of all **Loss**, other than **Defense Expenses**, in excess of the Settlement Offer, provided that the Company's liability under this **Policy** for such **Claim** will not exceed the remaining applicable limit of liability.

#### J. MERGER OF PLANS

If, during the **Policy Period**, a **Benefit Plan** is merged with another **Benefit Plan**, this **Policy** will continue to provide coverage for both plans, subject to all other terms and conditions of this **Policy** and only for so long as this **Policy** remains in effect as to the **Insureds**.

If, during the **Policy Period**, a **Benefit Plan** ("Covered Plan") is merged with another benefit plan for which coverage is not provided under this **Policy** ("Uncovered Plan"), this **Policy** will continue to provide coverage for only the Covered Plan, subject to all other terms and conditions of this **Policy** and only for so long as this **Policy** remains in effect as to the **Insureds**, but only for **Claims** for **Wrongful Acts** which occurred prior to the date of such merger.

#### K. CHANGE OF CONTROL

If, during the **Policy Period**, a **Change of Control** occurs, coverage will continue in full force and effect with respect to **Claims** for **Wrongful Acts** committed before such event, but coverage will cease with respect to **Claims** for **Wrongful Acts** committed after such event. No coverage will be available hereunder for **Loss**, including **Defense Expenses**, for any **Claim** based upon, alleging, arising out of, or in any way relating to, directly or indirectly any **Wrongful Act** committed or allegedly committed after such event. After any such event, the **Policy** may not be canceled by or on behalf of any **Insured** and the entire premium for the **Policy** will be deemed fully earned.

Upon the occurrence of any **Change of Control**, the **Insurance Representative** will have the right to give the Company notice that the **Insured** desires to purchase a Run-Off Extended Reporting Period for this **Policy** for the period set forth in ITEM 9 of the Declarations following the effective date of such **Change of Control**, regarding **Claims** made during such Run-Off Extended Reporting Period against persons or entities who at the effective date of the **Change of Control** are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to such **Change of Control** and which otherwise would be covered by this **Policy**, subject to the following provisions:

1. such Run-Off Extended Reporting Period will not provide new, additional or renewed limits of liability;
2. the Company's total liability for all **Claims** made during such Run-Off Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the **Change of Control**; and
3. for purposes of coverage under section I. INSURING AGREEMENTS, B., the Run-Off Extended Reporting Period will apply only to **Settlement Fees** and **Defense Expenses** incurred by the **Insured** in connection with any **Settlement Program Notice** as a result of the **Insured's** participation during the Run-Off Extended Reporting Period in a **Settlement Program**, but only if such participation commences during the Run-Off Extended Reporting Period and involves a **Benefit Plan's** actual or alleged inadvertent noncompliance with any statute, rule or regulation before the effective date of the **Change of Control**.

The premium due for the Run-Off Extended Reporting Period will equal the percentage set forth in ITEM 9 of the Declarations of the annualized premium of this **Policy**, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Period** prior to the **Change of Control**. The entire premium for the Run-Off Extended Reporting Period will be deemed fully earned at the commencement of such Run-Off Extended Reporting Period.

The right to elect the Run-Off Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within thirty

(30) days of the **Change of Control**. In the event the Run-Off Extended Reporting Period is purchased, the option to purchase the Extended Reporting Period in section V. CONDITIONS M. EXTENDED REPORTING PERIOD of this **Policy** will terminate. In the event the Run-Off Extended Reporting Period is not purchased, the **Insured** will have the right to purchase the Extended Reporting Period under the terms of section V. CONDITIONS M. EXTENDED REPORTING PERIOD of this **Policy**.

#### L. TERMINATION OF PLAN

If before or during the **Policy Period** any **Benefit Plan** is terminated, this **Policy** will provide coverage for such plan, subject to all other terms, conditions and limitations of this **Policy** for so long as this **Policy** remains in effect as to the **Insureds**.

#### M. EXTENDED REPORTING PERIOD

At any time prior to or within 60 days after the effective date of termination or cancellation of this **Policy** for any reason other than nonpayment of premium, the **Insurance Representative** may give the Company written notice that the **Insured** desires to purchase an Extended Reporting Period for the period set forth in ITEM 8 of the Declarations following the effective date of such termination or cancellation, regarding **Claims** made during such Extended Reporting Period against persons or entities who at or prior to the effective date of termination or cancellation are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to the effective date of the termination or cancellation and which otherwise would be covered by this **Policy**, subject to the following provisions:

1. such Extended Reporting Period will not provide a new, additional or renewed limit(s) of liability;
2. the Company's maximum limit of liability for all **Claims** made during such Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the termination or cancellation; and
3. for purposes of coverage under section I. INSURING AGREEMENTS, B., the Extended Reporting Period will apply only to **Settlement Fees** and **Defense Expenses** incurred by the **Insured** in connection with any **Settlement Program Notice** as a result of the **Insured's** participation during the Extended Reporting Period in a **Settlement Program**, but only if such participation commences during the Extended Reporting Period and involves a **Benefit Plan's** actual or alleged inadvertent noncompliance with any statute, rule or regulation before the effective date of such termination or nonrenewal.

The premium due for the Extended Reporting Period will equal the percentage set forth in ITEM 8 of the Declarations of the annualized premium of this **Policy**, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Year** prior to such termination or cancellation. The entire premium for the Extended Reporting Period will be deemed to have been fully earned at the commencement of such Extended Reporting Period.

The right to elect the Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within 60 days of the effective date of the termination or cancellation.

#### N. SUBROGATION

In the event of payment under this **Policy**, the Company is subrogated to all of the **Insured's** rights of recovery against any person or organization to the extent of such payment and the **Insured** agrees to execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights.

#### O. RECOURSE

Unless such right is waived by an endorsement to this **Policy**, the Company will have the right of recourse pursuant to Section 410(b)(1) of the Employee Retirement Income Security Act of 1974, as amended, against any **Insured** that breaches a fiduciary obligation if this **Policy** is purchased using assets of the **Benefit Plan**.

## P. RECOVERIES

All recoveries from third parties for payments made under this **Policy** will be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

1. first, to the Company to reimburse the Company for any Retention amount it has paid on behalf of any **Insured**;
2. second, to the **Insured** to reimburse the **Insured** for the amount it has paid which would have been paid hereunder but for the fact that it is in excess of the applicable limits of liability hereunder;
3. third, to the Company to reimburse the Company for the amount paid hereunder; and
4. fourth, to the **Insured** in satisfaction of any applicable Retention;

provided, recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit.

## Q. SPOUSAL AND DOMESTIC PARTNER LIABILITY COVERAGE

This **Policy** will, subject to all of its terms, conditions, and limitations, be extended to apply to **Loss** resulting from a **Claim** made against a person who, at the time the **Claim** is made, is a lawful spouse or a person qualifying as a domestic partner under the provisions of any applicable federal, state or local law (a "Domestic Partner") of an **Insured Person**, but only if and so long as:

1. the **Claim** against such spouse or Domestic Partner results from a **Wrongful Act** actually or allegedly committed by the **Insured Person**, to whom the spouse is married, or who is joined with the Domestic Partner; and
2. such **Insured Person** and his or her spouse or Domestic Partner are represented by the same counsel in connection with such **Claim**.

No spouse or Domestic Partner of an **Insured Person** will, by reason of this subsection have any greater right to coverage under this **Policy** than the **Insured Person** to whom such spouse is married, or to whom such Domestic Partner is joined.

The Company has no obligation to make any payment for **Loss** in connection with any **Claim** against a spouse or Domestic Partner of an **Insured Person** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such spouse or Domestic Partner.

## R. ALLOCATION

1. If Duty-to-Defend coverage is indicated in ITEM 7 of the Declarations and there is a **Claim** under this **Policy** in which the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by this **Policy** and also loss that is not covered by this **Policy** because such **Claim** includes both covered and uncovered matters, then such covered **Loss** and uncovered loss will be allocated as follows:
  - a. one hundred percent (100%) of **Defense Expenses** incurred by and on behalf of the **Insureds** who are afforded coverage for such **Claim** will be allocated to covered **Loss**; and
  - b. all loss other than **Defense Expense** will be allocated between covered **Loss** and uncovered loss based upon the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and settlement of the **Claim** by the **Insureds** and others not insured under this **Policy**. In making such a determination, the **Insureds** and the Company agree to use their best efforts to determine a fair and proper allocation of all such amounts. In the event that an allocation cannot be agreed to, then

the Company will be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this **Policy** and applicable law.

2. If Reimbursement coverage is indicated in ITEM 7 of the Declarations and there is a **Claim** under this **Policy** in which the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by this **Policy** and also loss that is not covered by this **Policy** because such **Claim** includes both covered and uncovered matters or covered and uncovered parties, the **Insureds** and the Company agree to use their best efforts to determine a fair and proper allocation of all such amounts. In making such a determination, the parties will take into account the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and settlement of the **Claim** by the **Insureds** and others not insured under this **Policy**. In the event that an allocation cannot be agreed to, then the Company will be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this **Policy** and applicable law.

#### **S. CANCELLATION**

The Company may cancel this **Policy** for failure to pay a premium when due, in which case twenty (20) days written notice will be given to the **Insurance Representative**, unless payment in full is received within twenty (20) days of the **Insurance Representative's** receipt of such notice of cancellation. The Company has the right to the premium amount for the portion of the **Policy Period** during which this **Policy** was in effect.

Subject to the provisions set forth in section III. CONDITIONS, K. CHANGE OF CONTROL, the **Insurance Representative** on behalf of the **Insured** may cancel this **Policy** by mailing the Company written notice stating when thereafter, but not later than the Expiration Date set forth in ITEM 3 of the Declarations, such cancellation will be effective. In the event the **Insurance Representative** cancels, the earned premium will be computed on a pro-rata basis. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Company will not be required to renew this **Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Insurance Representative** written notice to that effect at least thirty (30) days before the Expiration Date set forth in ITEM 3 of the Declarations.

#### **T. OTHER INSURANCE**

This **Policy** will apply only as excess insurance over, and will not contribute with any other valid and collectible insurance available to the **Insured**, including any insurance under which there is a duty to defend, unless such insurance is written specifically excess of this **Policy** by reference in such other policy to the Policy Number of this **Policy**. This **Policy** will not be subject to the terms of any other insurance.

#### **U. ACTION AGAINST THE COMPANY**

No action will lie against the Company unless there has been full compliance with all of the terms of this **Policy**.

No person or organization has any right under this **Policy** to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor may the Company be impleaded by an **Insured** or said **Insured's** legal representative. Bankruptcy or insolvency of any **Insured** or an **Insured's** estate does not relieve the Company of any of its obligations hereunder.

#### **V. CHANGES**

Only the **Insurance Representative** is authorized to make changes in the terms of this **Policy** and solely with the Company's prior written consent. This **Policy's** terms can be changed, amended or waived only by endorsement issued by the Company and made a part of this **Policy**. Notice to any representative of the **Insured** or knowledge possessed by any agent or by any other person will not effect a waiver or

change to any part of this **Policy**, or estop the Company from asserting any right under the terms, conditions and limitations of this **Policy**, nor may the terms, conditions and limitations hereunder be waived or changed, except by a written endorsement to this **Policy** issued by the Company.

#### **W. ASSIGNMENT**

This **Policy** may not be assigned or transferred, and any such attempted assignment or transfer is void and without effect unless the Company has provided its prior written consent to such assignment or transfer.

#### **X. REPRESENTATIONS**

By acceptance of the terms set forth in this **Policy**, each **Insured** represents and agrees that the statements contained in the **Application**, which is deemed to be attached hereto, incorporated herein, and forming a part hereof, are said **Insured's** agreements and representations, that such representations are material to the Company's acceptance of this risk, that this **Policy** is issued in reliance upon the truth of such representations, and embodies all agreements existing between said **Insured** and the Company or any of its agents.

If any statement or representation in the **Application** is untrue, this **Policy** is void and of no effect whatsoever, but only with respect to:

1. any **Insured Person** who knew, as of the Inception Date set forth in ITEM 3 of the Declarations, that the statement or representation was untrue;
2. any **Benefit Plan**, with respect to its indemnification coverage, to the extent it indemnifies any **Insured Person** referenced in 1. above; and
3. any **Benefit Plan**, if the person who signed the **Application** knew that the statement or representation was untrue.

Whether an **Insured Person** had such knowledge will be determined without regard to whether the **Insured Person** actually knew the **Application**, or any other application completed for this **Policy**, contained any such untrue statement or representation.

#### **Y. LIBERALIZATION**

If, during the **Policy Period**, the Company is required, by law or by insurance supervisory authorities of the state in which this **Policy** was issued, to make any changes in the form of this **Policy**, by which the insurance afforded by this **Policy** could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance will inure to the benefit of the **Insured** as of the date the revision or change is approved for general use by the applicable department of insurance.

#### **Z. AUTHORIZATION**

By acceptance of the terms herein, the **Insurance Representative** agrees to act on behalf of all **Insureds** with respect to the payment of premiums, the receiving of any return premiums that may become due hereunder, and the receiving of notices of cancellation, nonrenewal, or change of coverage, and the **Insureds** each agree that they have, individually and collectively, delegated such authority exclusively to the **Insurance Representative**; provided, that nothing herein will relieve the **Insureds** from giving any notice to the Company that is required under this **Policy**.

#### **AA. ENTIRE AGREEMENT**

This **Policy**, including the Declarations, the **Application**, and any endorsements attached hereto, constitutes the entire agreement between the Company and the **Insured**.

**BB. HEADINGS**

The titles of the various paragraphs of this Policy and its endorsements are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provision to which they relate.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## DESIGNATION OF INSURANCE REPRESENTATIVE ENDORSEMENT

This endorsement changes the following:

### Designated Benefit Plan Fiduciary Liability Coverage

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#### It is agreed that:

For all relevant purposes under the **Policy**, the **Insurance Representative** is Florida League of Cities, Inc.

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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Issuing Company: Travelers Casualty and Surety Company of America

Policy Number: 105965174

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## GOVERNMENTAL PLAN ENDORSEMENT

This endorsement changes the following:

### Designated Benefit Plan Fiduciary Liability Coverage

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#### It is agreed that:

1. The following replaces section **II. DEFINITIONS, I. Claim**:

**I. Claim** means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by service of a complaint or similar pleading;
3. a criminal proceeding commenced by filing of charges;
4. a formal administrative or regulatory proceeding commenced by filing of a notice of charges, formal investigative order, service of summons or similar document;
5. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding;

against an **Insured** for a **Wrongful Act**.

A **Claim** will be deemed to have been made when such **Claim** is first commenced as set forth in this definition or, in the case of a written demand, when such written demand is first received by an **Insured**.

2. The following is added to section **III. EXCLUSIONS, A. EXCLUSIONS APPLICABLE TO ALL LOSS**:

The Company will not be liable for **Loss** for any **Claim** based upon or arising out of:

- a. any investment in debt obligations of the state set forth in ITEM 1 of the Declarations, or in debt obligations of any political or governmental agency in such state; or
- b. the inadequate funding of the **Benefit Plan**.

3. Section **V. CONDITIONS, O. RECOURSE**, is deleted.

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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Issuing Company: Travelers Casualty and Surety Company of America  
Policy Number: 105965174

## GLOBAL COVERAGE COMPLIANCE ENDORSEMENT

This endorsement changes the following:

### Designated Benefit Plan Fiduciary Liability Coverage

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It is agreed that:

1. The following is added to section **V. CONDITIONS**:

#### **SANCTIONS**

This **Policy** will provide coverage, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose the Company or any of its affiliated or parent companies to any trade or economic sanction under any law or regulation of the United States of America or any other applicable trade or economic sanction, prohibition, or restriction.

2. The following replaces section **V. CONDITIONS, A. TERRITORY**:

#### **A. TERRITORY AND VALUATION**

1. This **Policy** applies anywhere in the world; provided, this **Policy** does not apply to **Loss** incurred by an **Insured** residing or domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, to the extent that providing this insurance would violate the laws or regulations of such country or jurisdiction.
2. All premiums, Limits of Liability, Retention, **Loss**, and other amounts under this **Policy** are expressed and payable in the currency of the United States. If a judgment is rendered, settlement is denominated, or another element of **Loss** under this **Policy** is stated in a currency other than United States dollars, payment under this **Policy** will be made in United States dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon, or any other element of **Loss** is due, respectively.

3. The following is added to section **V. CONDITIONS, E. CLAIM DEFENSE**:

In the event of a **Claim** against an **Insured** that resides or is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance and if Duty-to-Defend coverage is provided with respect to this **Policy** as indicated in ITEM 7 of the Declarations, the Company will have the right and duty to defend such **Claim** as set forth in this section V. CONDITIONS, E. CLAIM DEFENSE, 1. to the extent that doing so would not violate the laws or regulations of such country or jurisdiction.

If the Company is prohibited from defending such **Claim** or if Reimbursement coverage is provided with respect to this **Policy** as indicated in ITEM 7 of the Declarations, then this section V. CONDITIONS, E. CLAIM DEFENSE, 2. applies to such **Claim**; provided, any such **Claim** is subject to section V. CONDITIONS, R. ALLOCATION, 2.

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Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **105965174**

## FLORIDA CHANGES ENDORSEMENT

This endorsement changes the following:

### Designated Benefit Plan Fiduciary Liability Coverage

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It is agreed that:

1. The following replaces section **II. DEFINITIONS, O. Loss**:
  - O. Loss** means **Defense Expenses** and money which an **Insured** is legally obligated to pay as a result of a **Claim**, including settlements; judgments; compensatory damages; punitive or exemplary damages or the multiple portion of any multiplied damage award, for which an **Insured** is vicariously liable; prejudgment and post judgment interest; and legal fees and expenses awarded pursuant to a court order or judgment; and solely with respect to section I. INSURING AGREEMENTS B. of this **Policy**, **Settlement Fees**, but only to the extent that this **Policy** is construed by a court of competent jurisdiction, or an arbitration panel, under the laws of any jurisdiction other than Florida and such **Settlement Fees** are insurable under the laws of that jurisdiction. **Loss** does not include:
    1. civil or criminal fines (except **Settlement Fees** pursuant to Insuring Agreement B.; **Section 502(c) Penalties**; civil penalties under Sections 502(i) and 502(l) of the Employee Retirement Income Security Act of 1974, as amended; or civil penalties under the privacy provisions of **HIPAA**, but only to the extent that this **Policy** is construed by a court of competent jurisdiction, or an arbitration panel, under the laws of any jurisdiction other than Florida and such **Settlement Fees** or civil penalties are insurable under the laws of that jurisdiction; provided that the funds or assets of the pension scheme will not be used to fund, pay or reimburse the premium for this coverage or any portion thereof); sanctions; liquidated damages; payroll or other taxes; or damages or types of relief deemed uninsurable under applicable law;
    2. payment of medical benefits, pension benefits, severance, or any other benefit provided under a **Benefit Plan** which are or may become due, except to the extent that such sums are payable as a personal obligation of an **Insured Person**, because of such **Insured Person's Wrongful Act**; provided that this exclusion will not apply to:
      - a. the Company's obligation to defend any **Claim**, if applicable, or to pay, advance or reimburse **Defense Expenses**, regarding a **Claim** seeking such benefits; or
      - b. that portion of any damage, settlement or judgment covered as **Loss** under this **Policy** that represents a loss to any **Benefit Plan**, or loss to any account of a participant in any **Benefit Plan**, by reason of a change in value of any investments held by such **Benefit Plan** or such account, notwithstanding that such portion of any such damage, settlement or judgment has been characterized by plaintiffs, or held by a court of law, to be "benefits"; or
  3. any amount allocated to non-covered loss pursuant to section V. CONDITIONS, R. ALLOCATION, of this **Policy**.

To the extent that this **Policy** is construed by a court of competent jurisdiction, or an arbitration panel, under the laws of any jurisdiction other than Florida, **Loss** includes coverage for direct or vicarious

punitive or exemplary damages, or the multiple portion of any multiplied damage award, incurred by the **Insureds**, if such damages are insurable under the laws of that jurisdiction.

2. The following is deleted from the third paragraph of section **V. CONDITIONS, K. CHANGE OF CONTROL**:

The entire premium for the Run-Off Extended Reporting Period will be deemed fully earned at the commencement of such Run-Off Extended Reporting Period.

3. The following is deleted from the second paragraph of section **V. CONDITIONS, M. EXTENDED REPORTING PERIOD**:

The entire premium for the Extended Reporting Period will be deemed to have been fully earned at the commencement of such Extended Reporting Period.

4. The following replaces section **V. CONDITIONS, S. CANCELLATION**:

#### **S. CANCELLATION**

The Company may cancel this **Policy** for failure to pay a premium when due, in which case written notice, including the reason for cancellation, will be given to the **Insurance Representative** at least 20 days before the effective date of such cancellation, unless payment in full is received within 20 days of the **Insurance Representative's** receipt of such notice of cancellation. The Company shall have the right to the premium amount for the portion of the **Policy Period** during which this **Policy** was in effect.

Subject to the provisions set forth in section V. CONDITIONS, K. CHANGE OF CONTROL, the **Insurance Representative** on behalf of the **Insureds** may cancel this **Policy** by mailing the Company written notice stating when thereafter, but not later than the Expiration Date set forth in ITEM 3 of the Declarations, such cancellation will be effective. The Company will refund any unearned premium computed on a pro-rata basis if this **Policy** is canceled by the **Insurance Representative** on behalf of the **Insureds**. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation. The Company will mail any unearned premium within 15 working days after the effective date of termination.

The Company will not be required to renew this **Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Insurance Representative** written notice to that effect, including the reason for nonrenewal, at least 45 days before the Expiration Date set forth in ITEM 3 of the Declarations.

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.



**PO Box 2950  
Hartford, CT 06104-2950**

July 13, 2023

TOWN OF DAVIE GENERAL & MANAGEMENT EMPLOYEES RETIREMENT PLAN  
6591 ORANGE DRIVE  
DAVIE, FL 33314

Re: Important Information about Claims Information Line

Dear TOWN OF DAVIE GENERAL & MANAGEMENT EMPLOYEES RETIREMENT PLAN

Travelers Bond & Specialty Insurance is pleased to announce its **1-800-842-8496** Claims Information Line. This line is designed to provide insureds with an additional resource on how to report claims or those circumstances or events which may become claims.

Policyholders will be able to obtain assistance on the following topics from the Claims Information Line:

- The information that needs to be included with the claim notice
- The address, electronic mail address and/or facsimile number to which the policyholder can send claims related information
- Get questions on the claim process answered

The Declarations Page of your policy sets forth where you should report claims and claims related information. You should also review the policy's reporting requirements to be aware of how much time you have to report a claim to Travelers. The sooner Travelers is notified, the sooner we can become involved in the process and offer assistance to our policyholder. A delay in reporting may result in all or part of a matter to fall outside of the coverage provided.

The Claims Information Line should streamline the claim reporting process and allow policyholders to ask questions on what information is needed as well as other questions which will assist them in working with Travelers. While the Claims Information Line provides policyholders a valuable resource by answering questions and providing information, the line does not replace the reporting requirements contained in the Policy.

We hope this improvement to customer service is something our policyholders will find helps them understand the claim process and provides them a resource for reporting.



P.O. Box 2950  
Hartford, CT 06104-2950

07/13/2023

## TOWN OF DAVIE GENERAL & MANAGEMENT EMPLOYEES RETIREMENT PLAN

6591 ORANGE DRIVE  
DAVIE, FL 33314

**RE: Risk Management PLUS+ Online® from Travelers Bond & Specialty Insurance** ([www.rmplusonline.com](http://www.rmplusonline.com))

As a Travelers Bond & Specialty Insured you receive risk management services, at no additional cost, to help protect you and your business.

Risk Management PLUS+ Online, is a robust website to assist you in the mitigation of risk relative to employment practices, directors and officers, fiduciary liability, cyber, crime, kidnap & ransom, and identity fraud exposures.

Highlights of Risk Management PLUS+ Online include:

- ☒ Thousands of articles on a variety of risk management topics
- ☒ Topical webinars and podcasts on current issues
- ☒ Checklists to assist in managing risk
- ☒ Web based training
- ☒ Model Employee Handbook, including policies and forms for downloading or printing that reduce risks in the workplace.

The following Risk Management PLUS+ Online Registration Instructions contain easy, step-by-step instructions to register for this valuable tool. For more information, call 1-888-712-7667 and ask for your Risk Management PLUS+ Online representative. It's that simple.

Thank you for choosing Travelers Bond & Specialty Insurance for your insurance needs. Travelers is a market leader in providing management liability and crime coverages that are specifically customized for your organization.

### Instructions for Registration & Orientation to Risk Management PLUS+ Online®

#### *Registration for Site Administrators:*

The Site Administrator is the person in your organization who will oversee Risk Management PLUS+ Online for the organization. The Site Administrator is typically a person who leads human resources and/or financial functions or is responsible for legal matters pertaining to personnel. The Site Administrator may add other Site Administrators later to assist with their responsibilities. To register:

1. Go to [www.rmplusonline.com](http://www.rmplusonline.com).
2. In the Sign-In box, click **Register**.
3. Enter the password/passcode: TRVP120000
4. Fill in the Registration Information and click **Submit**.
5. Your organization is registered, and you are registered as Site Administrator.

#### *Learning to Navigate the Site:*

1. Go to [www.rmplusonline.com](http://www.rmplusonline.com). On each page, you will see a box outlined in blue that contains the instructions for use of that page.
2. If you have any questions, just click on **Contact Us** on the front page. Enter your question in the form provided, and the System Administrator will get back to you quickly with the answer.
3. You can also schedule a live walk-through of the site by sending a request for a walk-through via the contact link on the front page.



PO Box 2950  
Hartford, CT 06104-2950

### Toll-Free ERISA HelpLine

As part of the services provided through Risk Management PLUS+ Online®, Travelers Bond & Specialty Insurance is pleased to provide its Fiduciary Liability policyholders with access to the ERISA HelpLine, a toll-free hotline designed for quick, practical guidance on day-to-day workplace issues.

To utilize the HelpLine, call **1-888-401KLAW (1-888-401-5529)**.

Through the ERISA HelpLine, policyholders are eligible for a consultation with an ERISA attorney from the law firm of Jackson Lewis P.C. at no charge. Jackson Lewis P.C., one of the largest law firms in the country, is exclusively dedicated to representing management on workplace issues. With more than 950 attorneys throughout the U.S. and Puerto Rico, the firm has both a recognized expertise in workplace-related issues and a dedicated ERISA practice.

The ERISA HelpLine is designed to provide general guidance on issues relating to employee benefits and ERISA law. From reviewing potential compliance pitfalls to defending employers and plan sponsors in adversary proceedings and appeals under internal agency procedures, attorneys from Jackson Lewis P.C. are there to help you. The ERISA HelpLine is available toll-free from anywhere in the United States.

We encourage policyholders to take advantage of this no-cost hotline. For more information about the hotline, go to [www.rmplusonline.com/ERISAHelpLine](http://www.rmplusonline.com/ERISAHelpLine).

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

Travelers Casualty and Surety Company of America, and its property casualty affiliates, PO Box 2950, Hartford, CT 06104-2950.

This notice provides no coverage, nor does it change any policy terms. To determine the scope of coverage and the insured's rights and duties under the policy, read the entire policy carefully. For more information about the content of this notice, the insured should contact their agent or broker. If there is any conflict between the policy and this notice, the terms of the policy prevail.

## **Independent Agent And Broker Compensation Notice**

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For information on how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: [www.travelers.com/w3c/legal/Producer\\_Compensation\\_Disclosure.html](http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html).

Or write or call:

**Travelers, Agency Compensation**  
**P.O. Box 2950**  
**Hartford, Connecticut 06104-2950**  
**(866) 904.8348**



This notice provides no coverage, nor does it change any policy terms. To determine the scope of coverage and the insured's rights and duties under the policy, read the entire policy carefully. For more information about the content of this notice, the insured should contact their agent or broker. If there is any conflict between the policy and this notice, the terms of the policy prevail.

## Florida Insurer Contact Information Notice

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For information about this policy, contact the insurance agent or broker listed in the policy. If additional information is needed, contact Travelers at the following address:

**Travelers**  
**P.O. Box 2950**  
**Hartford, Connecticut 06104-2950**

**Or call Travelers at 800.328.2189**