

ORDINANCE NO. __-2018

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, AMENDING CHAPTER 82 OF THE TOWN CODE OF ORDINANCES RELATING TO PERSONNEL, AT ARTICLE II, EMPLOYEE BENEFITS, DIVISION 2, RETIREMENT SYSTEM; AMENDING SUBDIVISION III, FIREFIGHTERS, BY AMENDING SECTION 82-99, DEFERRED RETIREMENT OPTION PROGRAM FOR FIREFIGHTERS; AMENDING SUBDIVISION IV, POLICE OFFICERS, BY AMENDING SECTION 82-119, DEFERRED RETIREMENT OPTION PROGRAM FOR POLICE OFFICERS; AMENDING SUBDIVISION V, GENERAL EMPLOYEES AND LIFEGUARDS, BY AMENDING SECTION 82-139, DEFERRED RETIREMENT OPTION PROGRAM FOR MEMBERS OF BENEFIT GROUP GENERAL AND BENEFIT GROUP LIFEGUARD; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF ORDINANCES IN CONFLICT; PROVIDING FOR CODIFICATION; PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, AS FOLLOWS:

Section 1. The Code of Ordinances of the Town of Palm Beach is hereby amended at Chapter 82, Personnel; Article II, Employee Benefits; Division 2, Retirement System; Subdivision III. – Firefighters; by amending Section 82-99 to read as follows:

Sec. 82-99. - Deferred retirement option program for firefighters.

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(c) *Participation in the DROP.*

- (1) The date on which participation in the DROP must terminate is within 120 months of the commencement of the election period provided in subsection (b)(1) of this section. Except as provided in subsection (c)(4) below, P-participation in the DROP may not exceed a maximum of 60 months. No DROP participant may ~~continue to be eligible to participate in the DROP for more than 60 months or for any time after 120 months following the date on which the member first reaches normal retirement age or date, except as provided in subsection (c)(4) below,~~ unless the member first reached normal retirement age or date prior to the effective date of the ordinance from which this section derives. Notwithstanding the preceding sentence, effective October 1, 2016 for non-bargaining unit members who are participating in the DROP on that date or who enter the DROP after that date, the maximum DROP participation period shall be 60 months, but such members may continue to participate in the DROP beyond 120 months following the date on which the member first reaches normal retirement age or date.
- (2) Submission of required information. Upon electing to participate in the DROP, the member shall submit on forms required by the retirement system:

- a. A written election to retire effective no more than 60 months after entering participation in the DROP;
 - b. A written election to participate in the DROP;
 - c. An irrevocable resignation from service to the town and withdrawal from the DROP, both effective after no more than 60 months participation in the DROP;
 - d. A properly completed DROP application for service retirement as provided in this section; and
 - e. Any other information required by the retirement system.
- (3) Re-employed retirants. Re-employed retirants of the town's retirement system are not eligible to participate in DROP.
- (4) Effective on and after January 1, 2019 until January 1, 2022, members who are participating in the DROP may, if authorized by the Town Manager, extend their DROP participation for up to 36 months, in 12 month increments, beyond the 60 month maximum DROP participation period. Members who seek to extend their DROP participation must submit, at least 30 days before the termination of the current DROP period, the following information to the town manager on forms provided by the town:
- a. A revised, written election to retire effective up to 12 months after the end of the current DROP period;
 - b. A written election to extend DROP participation by up to 12 months;
 - c. The member's new DROP termination date (not more than 12 months after the end of the current DROP period);
 - d. The member's new DROP termination date;
 - e. A revised, irrevocable resignation from service to the town and withdrawal from the DROP, effective on or before the new DROP termination date; and
 - f. Any other information required by the town or retirement system.

The town manager's decision to authorize the extension of a member's DROP period shall be based on the operational needs of the town, and shall not be subject to grievance or other review. Extended DROP participation is not a guarantee of continued employment for any specified period. DROP participants who have not been approved for the 36-month extended DROP participation period pursuant to this subsection (c)(4) by January 1, 2022 are not eligible for extended DROP. All provisions of the DROP shall continue to apply during any period of extended DROP participation.

- (d) *Compensation for work performed while participating in the DROP.* Starting pay shall be at the base pay rate in effect on the employee's last working day of employment, prior to participation in the DROP. Job performance will be evaluated under the town's pay for performance system, and performance pay increases will be permitted as established by town policy. General pay increases shall also be awarded, as approved

by the town council and the town manager. The base pay rate for DROP participants who are authorized by the Town Manager to extend DROP participation for up to 36 calendar months beyond the 60-month period shall be the rate of pay in effect at the end of 60-month DROP period; and that rate shall not be eligible for performance pay increase, general pay increases approved by the Town Council, or future Longevity Pay or Longevity Bonuses. Performance pay increases and general pay increases awarded to DROP participants will be reflected in their salary but will not be reflected in pension payments made to DROP accounts or made after DROP participation.

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- (3) Except as otherwise provided in this subsection (d), ~~Employee~~ benefits, other than benefits under the retirement system, which are normally granted to employees, will be provided to DROP participants. Such DROP participants are members of the retirement system.
- (4) At the conclusion of the participant's DROP, any credits made to a DROP participant's account will cease. Membership in the DROP will automatically terminate 60 months after the effective date of participation in the DROP, except as provided in subsections (c)(1) and (c)(4) above. DROP participants may elect to discontinue membership in the DROP at any time, provided a two-week written notice of termination of employment has been submitted to the town and notice has been submitted to the plan administrator.

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Section 2. The Code of Ordinances of the Town of Palm Beach is hereby amended at Chapter 82, Personnel; Article II, Employee Benefits; Division 2, Retirement System; Subdivision IV. - Police Officers; by amending Section 82-119 to read as follows:

Sec. 82-119. - Deferred retirement option program for police officers.

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(c) Participation in the DROP.

- (1) The date on which participation in the DROP must terminate is within 120 months of the commencement of the election period provided in subsection (b)(1) of this section. Except as provided in subsection (c)(4) below, ~~P~~-participation in the DROP may not exceed a maximum of 60 months. No DROP participant may ~~continue to be eligible to~~ participate in the DROP for more than 60 months or for any time after 120 months following the date on which the member first reaches normal retirement age or date, except as provided in subsection (c)(4) below, unless the member first reached normal retirement age or date prior to the effective date of the ordinance from which this section derives. Notwithstanding the preceding sentence, effective October 1, 2016 for members who are participating in the DROP on that date or who enter the DROP after that date, the maximum DROP participation period shall be 60 months, but such members may continue to participate in the DROP beyond 120 months following the date on which the member first reaches normal retirement age or date.

- (2) Submission of required information. Upon electing to participate in the DROP, the member shall submit on forms required by the retirement system:
- a. A written election to retire effective no more than 60 months after entering participation in the DROP;
 - b. A written election to participate in the DROP;
 - c. An irrevocable resignation from service to the town and withdrawal from the DROP, both effective after no more than 60 months participation in the DROP;
 - d. A properly completed DROP application for service retirement as provided in this section; and
 - e. Any other information required by the retirement system.
- (3) Re-employed retirants. Re-employed retirants of the town's retirement system are not eligible to participate in DROP.

(4) Effective on and after January 1, 2019 until January 1, 2022,, members who are participating in the DROP may, if authorized by the town manager, extend their DROP participation for up to 36 months, in 12 month increments, beyond the 60 month maximum DROP participation period. Members who seek to extend their DROP participation must submit, at least 30 days before the termination of the current DROP period, the following information to the town manager on forms provided by the town:

- a. A revised, written election to retire effective upon termination of the member's participation in the DROP;
- b. A written election to extend DROP participation, approved and signed by the town manager;
- c. The maximum term of the extended DROP participation;
- d. The member's new DROP termination date;
- e. A revised, irrevocable resignation from service to the town and withdrawal from the DROP, effective on or before the end of the maximum DROP participation period as extended; and
- f. Any other information required by the retirement system.

The town manager's decision to authorize the extension of a member's DROP period shall be based on the operational needs of the town, and shall not be subject to grievance or other review. Extended DROP participation is not a guarantee of continued employment for any specified period. DROP participants who have not been approved for the 36-month extended DROP participation period pursuant to this subsection (c)(4) by January 1, 2022 are not eligible for extended DROP. All provisions of the DROP shall continue to apply during any period of extended DROP participation.

- (d) *Compensation for work performed while participating in the DROP.* Starting pay shall be at the base pay rate in effect on the employee's last working day of employment,

prior to participation in the DROP. Job performance will be evaluated under the town's pay for performance system, and performance pay increases will be permitted as established by town policy. General pay increases shall also be awarded, as approved by the town council and the town manager. The base pay rate for DROP participants who are authorized by the town manager to extend DROP participation for up to 36 calendar months beyond the 60-month period shall be the rate of pay in effect at the end of 60-month DROP period; and that rate shall not be eligible for performance pay increase, general pay increases approved by the Town Council, or future Longevity Pay or Longevity Bonuses. Performance pay increases and general pay increases awarded to DROP participants will be reflected in their salary but will not be reflected in pension payments made to DROP accounts or made after DROP participation.

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- (3) Except as otherwise provided in this subsection (d), ~~E~~employee benefits, other than benefits under the retirement system, which are normally granted to employees, will be provided to DROP participants. Such DROP participants are members of the retirement system.
- (4) At the conclusion of the participant's DROP, any credits made to a DROP participant's account will cease. Membership in the DROP will automatically terminate 60 months after the effective date of participation in the DROP, except as provided in subsections (c)(1) and (c)(4) above. DROP participants may elect to discontinue membership in the DROP at any time, provided a two-week written notice of termination of employment has been submitted to the town, and notice has been submitted to the plan administrator.

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Section 3. The Code of Ordinances of the Town of Palm Beach is hereby amended at Chapter 82, Personnel; Article II, Employee Benefits; Division 2, Retirement System; Subdivision V. – General Employees and Lifeguards; by amending Section 82-139 to read as follows:

Sec. 82-139. - Deferred retirement option program for members of benefit group general and benefit group lifeguard.

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(c) Participation in the DROP.

- (1) Except as provided in subsection (c)(4) below, ~~P~~-participation in the DROP may not exceed a maximum of 60 months.
- (2) Submission of required information. Upon electing to participate in the DROP, the member shall submit on forms required by the retirement system:
 - a. A written election to retire effective no more than 60 months after entering participation in the DROP;
 - b. A written election to participate in the DROP;

- c. An irrevocable resignation from service to the town and withdrawal from the DROP, both effective after no more than 60 months participation in the DROP;
 - d. A properly completed DROP application for service retirement as provided in this section; and
 - e. Any other information required by the retirement system.
- (3) Re-employed retirants. Re-employed retirants of the town's retirement system are not eligible to participate in DROP.
- (4) Effective on and after January 1, 2019 until January 1, 2022, members who are participating in the DROP may, if authorized by the town manager, extend their DROP participation for up to 36 months, in 12 month increments, beyond the 60 month maximum DROP participation period. Members who seek to extend their DROP participation must submit, at least 30 days before the termination of the current DROP period, the following information to the town manager on forms provided by the town:
- a. A revised, written election to retire effective upon termination of the member's participation in the DROP;
 - b. A written election to extend DROP participation, approved and signed by the town manager;
 - c. The maximum term of the extended DROP participation;
 - d. The member's new DROP termination date;
 - e. A revised, irrevocable resignation from service to the town and withdrawal from the DROP, effective on or before the end of the maximum DROP participation period as extended; and
 - f. Any other information required by the retirement system.

The town manager's decision to authorize the extension of a member's DROP period shall be based on the operational needs of the town, and shall not be subject to grievance or other review. Extended DROP participation is not a guarantee of continued employment for any specified period. DROP participants who have not been approved for the 36-month extended DROP participation period pursuant to this subsection (c)(4) by January 1, 2022 are not eligible for extended DROP. All provisions of the DROP shall continue to apply during any period of extended DROP participation.

- (d) *Compensation for work performed while participating in the DROP.* Starting pay shall be at the base pay rate in effect on the employee's last working day of employment, prior to participation in the DROP. Job performance will be evaluated under the town's pay for performance system, and performance pay increases will be permitted as established by town policy. General pay increases shall also be awarded, as approved by the town council and the town manager. The base pay rate for DROP participants who are authorized by the Town Manager to extend DROP participation for up to 36 calendar months beyond the 60-month period shall be the rate of pay in effect at the

end of 60-month DROP period; and that rate shall not be eligible for performance pay increase, general pay increases approved by the Town Council, or future Longevity Pay or Longevity Bonuses. Performance pay increases and general pay increases awarded to DROP participants will be reflected in their salary but will not be reflected in pension payments made to DROP accounts or made after DROP participation.

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- (3) Except as otherwise provided in this subsection (d), ~~Employee~~ benefits, other than benefits under the retirement system, which are normally granted to employees, will be provided to DROP participants. Such DROP participants are members of the retirement system.
- (4) At the conclusion of the participant's DROP, any credits made to a DROP participant's account will cease. Membership in the DROP will automatically terminate 60 months after the effective date of participation in the DROP, except as provided in subsections (c)(1) and (c)(4) ~~at~~ above. DROP participants may elect to discontinue membership in the DROP at any time, provided a two-week written notice of termination has been submitted to the plan administrator.

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Section 4. Severability.

If any provision of this Ordinance or the application thereof is held invalid, such invalidity shall not affect the other provisions or applications of this Ordinance which can be given effect without the invalid provisions or applications, and to this end the provisions of this Ordinance are hereby declared severable.

Section 5. Repeal of Ordinances in Conflict.

All other ordinances of the Town of Palm Beach, Florida, or parts thereof which conflict with this or any part of this Ordinance are hereby repealed.

Section 6. Codification.

This Ordinance shall be codified and made a part of the official Code of Ordinances of the Town of Palm Beach.

Section 7. Effective Date.

This Ordinance shall take effect immediately upon its passage and approval, as provided by law.

PASSED AND ADOPTED in a regular, adjourned session of the Town Council of the Town of Palm Beach on first reading this ____ day of _____, 2018, and for second and final reading on this ____ day of _____, 2018

Gail L. Coniglio, Mayor

Danielle H. Moore, Town Council President

Margaret A. Zeidman, Council President Pro Tem

Julie Araskog, Town Council Member

ATTEST:

Lewis S.W. Crampton, Town Council Member

Kathleen Dominguez, Town Clerk

Bobbie Lindsay, Town Council Member