400 S. Federal Hwy
Hallandale Beach, FL 33009
07162025

City of Hallandale Beach
City Commission Agenda Cover Memo

Meeting Date:	File No.:	Item Type:		1st Reading	2nd Reading
2/18/2026	**26-019**	☐ **Resolution** ☒ **Ordinance** ☐ **Other**	Ordinance Reading	**1/21/2026**	**2/18/2026**
			Public Hearing	☐	☐
			Advertising Required	☐	☐
			Quasi-Judicial:	☐	☐

Fiscal Impact ($):	Account Balance ($):	Funding Source:	Project Number:
$67,445	**$10,825,081**	**522100**	**N/A**

Contract Required:		P.O. Required:		RFP/RFQ/Bid Number:	Sponsor Name:	Department:
☐Yes	☒No	☐Yes	☒No	**N/A**	**Dr. Jeremy Earle, City Manager**	**City Manager's Office**

Strategic Plan Focus Areas:				
☒ **Fiscal Stability**	☐ **Resident Services**	☐ **Public Safety**	☐ **Infrastructure & Mobility**	☐ **Economic Development & Affordable Housing**

Implementation Timeline:	
Estimated Start Date: 2/18/2026	Estimated End Date: 12/31/9999

SHORT TITLE:

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY HALLANDALE BEACH, FLORIDA, AMENDING THE CITY OF HALLANDALE BEACH CODE OF ORDINANCES BY AMENDING CHAPTER 21 PERSONNEL, ARTICLE IV RETIREMENT, DIVISION 2, PENSION PLANS, SECTION 21-329 "DEFINITIONS"; SECTION 21-333 "SERVICE RETIREMENT BENEFITS"; SECTION 21-341 "DEFERRED RETIREMENT OPTION PLAN (DROP)"; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

This Ordinance implements limited, negotiated amendments to the Hallandale Beach Police and Fire Pension Plan for sworn police officers, consistent with a ratified Memorandum of Understanding (“MOU”) between the City and the Fraternal Order of Police (FOP), Lodge 196. The changes include:

(1) increasing the Tier Two pension accrual rate to match Tier One;
(2) modifying the calculation of Final Average Compensation to the highest two (2) full calendar years for both tiers; and
(3) extending the Deferred Retirement Option Program (DROP) participation period from five (5) to eight (8) years.

Background:

The City maintains a defined benefit pension plan for sworn police officers and firefighters under Chapter 21 of the City Code. During collective bargaining with the FOP, the Union proposed several pension enhancements. The City conducted an actuarial analysis (Exhibit 5), prepared by Foster & Foster Actuaries, to evaluate the fiscal impact of those proposals.

As outlined in the City Manager’s October 23, 2025 response to the FOP (Exhibit 4), the actuarial review demonstrated that many of the requested enhancements—such as lifetime Cost Of Living Adjustments (COLAs), removal of benefit caps, and inclusion of off-duty pay as pensionable earnings—would create significant and unsustainable long-term financial liabilities for the City.

After reviewing the actuarial findings and considering the City’s long-term fiscal stability, the City and the FOP reached agreement on a limited set of pension modifications that are modest, sustainable, and fiscally responsible. These agreed-upon changes were memorialized in a Memorandum of Understanding (MOU) (Exhibit 2) and now require codification through adoption of an ordinance.

Current Situation:

The MOU has been approved and ratified by the parties; however, the agreed-upon pension changes cannot be implemented without amending the City Code of Ordinances. The attached draft ordinance makes the necessary amendments to Sections 21-329 (Definitions), 21-333 (Service Retirement Benefits), and 21-341 (Deferred Retirement Option Plan) to align the Code with the terms of the MOU. The City Commission adopted the ordinance on First Reading at the January 21st, 2026, City Commission Meeting. In preparation for Second Reading, Director Dodea coordinated with the Police and Fire Pension Board Actuary, Doug Lozen of Foster & Foster, to prepare an Actuarial Impact Statement specific to the ordinance for submission to the Florida Department of Management Services (DMS), Municipal Police Officers’ and Firefighters’ Retirement Trust Funds Section, as required by state law. The Actuarial Impact Statement was completed on February 4 (Exhibit 3), and Director Dodea coordinated with the Actuary’s office to submit the required documentation to DMS for review. Based on conversations with the Actuary, it is recommended that the City proceed with adoption of the ordinance on Second Reading.

Why Action is Necessary:

A City ordinance is legally required to amend the existing pension provisions codified in Chapter 21 of the City Code. Adoption of this ordinance is necessary to implement the negotiated MOU, ensure compliance with the City Charter, and lawfully effectuate the agreed-upon pension changes for sworn police officers.

Cost Benefit:

The adopted changes represent a balanced approach that recognizes the service of sworn police officers while protecting the City's long-term financial stability. As detailed in the actuarial review, the City declined proposals that would have added more than $10 million in unfunded liabilities and over $3 million in additional annual pension costs. Instead, the limited changes approved through the MOU result in an increase of $67,445 in additional annual pension costs applicable to the fiscal year ending September 30, 2026, with any remaining unfunded liability attributable to these changes to be recognized and incorporated into future actuarial valuations. This approach avoids open-ended financial exposure while preserving the pension plan's funded status.

PROPOSED ACTION:

The City Commission considers and approves the attached Ordinance on second reading.

ATTACHMENT(S):

Exhibit 1 – Ordinance
Exhibit 2 - Memorandum of Understanding between the City of Hallandale Beach and the Fraternal Order of Police, Lodge 196 and adopted Resolution
Exhibit 3 - Actuarial Impact Statement 2026-02-04
Exhibit 4 - City Response to FOP 10-23-25
Exhibit 5 - Actuarial Impact Statement 2025-08-12

Prepared By: Radu Dodea

Radu Dodea, IPMA-SCP, CPPT
Human Resources/Risk Management Director

Reviewed By: Noemy Sandoval

Noemy Sandoval
Assistant City Manager