

1 EXHIBIT 1

2 ORDINANCE NO. 2026 -

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

13 **WHEREAS**, the City of Hallandale Beach (the "City") maintains a defined benefit
14 pension plan for City sworn police officers and firefighters as stated in Division 2,
15 Section 21-323.1 of the City Code, known as the Hallandale Beach Police and Fire
16 Pension Plan (the "Plan");

17 **WHEREAS**, the City has entered into a collective bargaining agreement with the
18 International Union of Police Associations, Chapter 6029, for the period October 1, 2023
19 through September 30, 2026, which contains pension provisions related to sworn police
20 members; and

21 **WHEREAS**, an approved and ratified memorandum of understanding contains
22 certain changes to the Plan regarding sworn police members; and

23 **WHEREAS**, to implement the changes contained in the memorandum of
24 understanding, it is necessary to adopt an ordinance amending the Plan as set forth in
25 Chapter 21 of the City Code of Ordinances; and

26 **WHEREAS**, pursuant to Article V, Division I, Section 5.01 of the City of
27 Hallandale Beach 18 Charter, a City ordinance is required to amend or repeal any
28 ordinance previously adopted by 19 the City Commission.

29
30 **NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY
31 COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA:**

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32 **SECTION 1.** The foregoing "Whereas" clauses are confirmed as true and

33 incorporated herein.

34 **SECTION 2.** The Mayor and City Commission of the City of Hallandale Beach

35 hereby amend Section 21-329 "Definitions" of Chapter 21, Article IV, Division 2,

36 "Pension Plans" of the Code of Ordinances as follows:

37 **Sec. 21-329. - Definitions.**

38 *****

39 *Final average compensation.* Effective January 1, 2006, final average
40 compensation (FAC) for police tier one members shall mean a police officer's average
41 monthly rate of pensionable earnings for the two most recent calendar years, prior to
42 entering retirement. Effective April 15, 2021, final average compensation for police tier
43 one members shall mean a police officer's average monthly rate of pensionable
44 earnings for the highest four full calendar years. **Effective February 15, 2026, final**
45 **average compensation for police tier one members shall mean a police officer's average**
46 **monthly rate of pensionable earnings for the highest two full calendar years.** Members
47 retiring prior to January 1, 2025 with normal retirement will be able to select a final
48 average compensation of either highest four or last two prior to entering retirement.

49 Effective March 20, 2013 **through February 15, 2026**, final average compensation
50 for police tier two members shall mean a police officer's average monthly rate of
51 pensionable earnings for the five most recent calendar years. **Effective February 15,**
52 **2026, final average compensation for police tier two members shall mean a police**
53 **officer's average monthly rate of pensionable earnings for the highest two full calendar**
54 **years.**

55 *****

56 *Police tier one* shall mean the defined benefit pension program for police officers
57 hired before March 20, 2013.

58 *Police tier two* shall mean the defined benefit pension program for police officers hired
59 on or after March 20, 2013. Benefits shall be administered in the same manner as
60 police tier one benefits, except as follows:

61 (1) **As of the effective date of this division through February 14, 2026, The**
62 normal retirement benefit for police tier two members shall be determined
63 by multiplying three percent of final average compensation by the number
64 of years of credited service. **However, as of February 15, 2026, the normal**
65 **retirement benefit for police tier two members shall be determined by**
66 **multiplying three and two-tenths percent of final average compensation by**
67 **the number of years of credited service;**

68 (2) **As of the effective date of this division through February 14, 2026, Final**
69 average compensation for police tier two members shall be calculated using

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70 the member's average monthly rate of pensionable earnings for the five
71 most recent calendar years. However, as of February 15, 2026, final
72 average compensation for police tier two members shall be calculated using
73 the member's average monthly rate of pensionable earnings for the highest
74 two full calendar years; and

75 (3) Police tier two members shall not be entitled to a COLA.

76 *****

77 **SECTION 3.** The Mayor and City Commission of the City of Hallandale Beach
78 hereby amend Section 21-333 "Service retirement benefits" of Chapter 21, Article IV,
79 Division 2, "Pension Plans" of the Code of Ordinances as follows:

80 **Sec. 21-333. Service retirement benefits.**

81 (a) A member may retire on the first day of the month coincident with or next following
82 the earlier of: the date upon which the member completes 25 years of credited
83 service, regardless of age; or the date upon which the member attains age 52 with
84 ten years of credited service. There shall be no mandatory retirement age.

85 (b) For members retiring on or after October 1, 2002, the normal retirement benefit
86 shall be determined by multiplying three and two-tenths percent of final average
87 compensation by the number of years of credited service. For members retiring on
88 or after October 1, 2002, the amount provided in this section shall not exceed 80
89 percent of final average compensation, except as may be required to meet the
90 minimum standards of F.S. chs. 175 and 185. Notwithstanding the foregoing, the
91 normal retirement benefit for police tier two members prior to February 15, 2026
92 and fire tier two members shall be determined by multiplying three percent of final
93 average compensation by the number of years of credited service, not to exceed 75
94 percent of final average compensation. Effective February 15, 2026, the normal
95 retirement benefit for police tier two members shall be determined by multiplying
96 three and two-tenths percent of final average compensation by the number of years
97 of credited service, not to exceed 80 percent of final average compensation.

98 *****

99 (m) Benefit cap. Effective March 20, 2013 for police officers and August 7, 2013 for
100 firefighters, no annual service retirement benefit based on the normal annuity form
101 (life with ten-year certain) payable in the initial year of retirement shall exceed
102 \$95,000.00 (hereinafter the "initial year benefit cap").

103 Effective April 15, 2021, subject to the 80 percent of AFC cap, the benefit cap for
104 police tier one members shall be \$110,000.00. Police tier one members who reach
105 the cap and who were otherwise eligible to receive cost of living adjustments on
106 their benefit will earn up to eight two-percent pension cost of living adjustments on
107 their benefit after reaching the \$110,000.00 cap.

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108 Police tier one members shall receive a COLA for pre-2013 service. The prorated
109 COLA will be based on years of service and service time purchased prior to the
110 effective date of the 2013 ordinance, March 20, 2013. The pre-2013 COLA will be
111 paid as a percent of the full benefit after all other current COLA benefits have been
112 paid. (For example, any member who earned 12.5 years of service prior to the 2013
113 pension ordinance effective date and retires at the pension cap benefit of
114 \$110,000.00 will first receive the current eight COLAS of two percent after which
115 time the member will continue to receive a one percent COLA.

116 Subject to the 75 percent of AFC cap, or effective February 15, 2026, subject to the
117 80 percent of the AFC cap, the benefit cap for police tier two members shall be
118 \$110,000.00.

119

120 **SECTION 4.** The Mayor and City Commission of the City of Hallandale Beach

121 hereby amend Section 21-341 "Deferred retirement option plan" of Chapter 21, Article
122 IV, Division 2, "Pension Plans" of the Code of Ordinances as follows:

123 Sec. 21-341. - Deferred retirement option plan.

124 *****

125 (f) Participation in the DROP for police tier two members must be exercised within 90
126 days of the date of a member's 25th anniversary of employment, the completion of
127 25 years of credited service (including purchases of service credit and buyback), or
128 the date that a member's service credit reaches the percent benefit accrual cap set
129 forth in subsection 21-333(m) 75 percent benefit accrual, or the right to participate
130 in the DROP is forfeited.

131

132 (g) An eligible police member who enters the DROP on or after February 15, 2026 may
133 participate in the DROP for a period not to exceed a maximum of eight years or a
134 total of 33 years of service (including purchases of service credit and buyback). For
135 those police members who enter DROP prior to February 15, 2026, the maximum
136 DROP participation period is five years or a total of 30 years of service (including
137 purchases of service credit and buyback). However, effective February 15, 2026,
138 such police members who were participating in the DROP on that date may extend
139 their DROP participation period for up to three years beyond the five year maximum
140 DROP participation period. The maximum period of participation in the DROP is
141 five years or a total of 30 years of service (including purchases of service credit and
142 buyback). Notice of election to DROP must be accompanied by a post-dated letter
143 of resignation which shall be fully binding upon the member. Any subsequent
144 election to voluntarily terminate employment, prior to the maximum limit of the
145 DROP, shall be by binding written notice to the employer at least 30 days in
146 advance.

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147 (h) Upon exercising the right to participate in the DROP, an employee's creditable
148 service, accrued benefits and compensation calculation shall be frozen and shall
149 utilize final average compensation for determining the benefit.

150 (i) Payment shall be made into the employee's DROP account as if the employee had
151 terminated employment in the city in an amount determined by the employee's
152 selection of options 1 and 2 as enumerated in subsection 21-333(i).

153 (j) Subject to subsections (p) and (q) of this section, a police tier one and fire tier one
154 member's account in the DROP program shall earn or lose interest based upon the
155 actual earnings of the retirement plan for the preceding year or the most recent
156 assumed rate of return of the actuarial valuation. The member must choose an
157 irrevocable earnings option at the time of entry into the DROP. As of the effective
158 date of this division, police tier one members entering the DROP program shall
159 earn interest credits equal to the net market rate of return on pension plan
160 investments during the preceding plan year, with a minimum of zero percent and a
161 maximum of six percent. Pension plan assets that are not used to provide DROP
162 interest in accordance with this paragraph shall remain assets of the plan. Interest
163 credit for police tier two members shall be based on net plan earnings on DROP
164 balances with no guarantee of returns. The board may, by uniform administrative
165 rule, establish an employee-directed investment program.

166 (k) DROP participants shall terminate service with the city at the conclusion of five
167 years in the DROP or a total of 30 years of service (including purchases of service
168 credit and buyback). However, effective February 15, 2026, DROP police
169 participants shall terminate service with the city at the conclusion of eight years in
170 the DROP or a total of 33 years of service (including purchases of service credit
171 and buyback).

172 *****

173 **SECTION 5. Conflict.** All ordinances, parts of ordinances, resolutions, or parts of
174 resolutions in conflict herewith are hereby repealed, to the extent of the conflict.

175 **SECTION 6. Severability.** Should any provision of this Ordinance be declared by
176 a court of competent jurisdiction to be invalid, such decision shall not affect the validity
177 of this Ordinance as a whole or any portion thereof, other than the part that is declared
178 to be invalid.

179 **SECTION 7. Codification.** It is the intention of the Mayor and City Commission
180 that the provisions of this ordinance be incorporated into the Code of Ordinances; to
181 effect such intention the words "ordinance" or "section" may be changed to other
182 appropriate words.

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