

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, as required by Florida Statute, the proposed ordinance and actuarial
27 impact statement have been submitted to the State; and

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

31 Words in ~~strikethrough~~ type are deletions from existing text.

Words in underline type are additions

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

SECTION 1. The foregoing "Whereas" clauses are confirmed as true and incorporated herein.

SECTION 2. The Mayor and City Commission of the City of Hallandale Beach hereby amend Section 21-329 "Definitions" of Chapter 21, Article IV, Division 2, "Pension Plans" of the Code of Ordinances as follows:

Sec. 21-329. - Definitions.

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

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

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

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

- (1) As of the effective date of this division through February 14, 2026, the normal retirement benefit for police tier two members shall be determined by multiplying three percent of final average compensation by the number of years of credited service. However, as of February 15, 2026, the normal retirement benefit for police tier two members shall be determined by

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68 multiplying three and two-tenths percent of final average compensation by
69 the number of years of credited service;

- 70 (2) As of the effective date of this division through February 14, 2026, Final
71 average compensation for police tier two members shall be calculated using
72 the member's average monthly rate of pensionable earnings for the five
73 most recent calendar years. However, as of February 15, 2026, final
74 average compensation for police tier two members shall be calculated using
75 the member's average monthly rate of pensionable earnings for the highest
76 two full calendar years; and

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

78 *****

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

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

- 83 (a) A member may retire on the first day of the month coincident with or next following
84 the earlier of: the date upon which the member completes 25 years of credited
85 service, regardless of age; or the date upon which the member attains age 52 with
86 ten years of credited service. There shall be no mandatory retirement age.
- 87 (b) For members retiring on or after October 1, 2002, the normal retirement benefit
88 shall be determined by multiplying three and two-tenths percent of final average
89 compensation by the number of years of credited service. For members retiring on
90 or after October 1, 2002, the amount provided in this section shall not exceed 80
91 percent of final average compensation, except as may be required to meet the
92 minimum standards of F.S. chs. 175 and 185. Notwithstanding the foregoing, the
93 normal retirement benefit for police tier two members prior to February 15, 2026
94 and fire tier two members shall be determined by multiplying three percent of final
95 average compensation by the number of years of credited service, not to exceed 75
96 percent of final average compensation. Effective February 15, 2026, the normal
97 retirement benefit for police tier two members shall be determined by multiplying
98 three and two-tenths percent of final average compensation by the number of years
99 of credited service, not to exceed 80 percent of final average compensation.

100 *****

- 101 (m) Benefit cap. Effective March 20, 2013 for police officers and August 7, 2013 for
102 firefighters, no annual service retirement benefit based on the normal annuity form
103 (life with ten-year certain) payable in the initial year of retirement shall exceed
104 \$95,000.00 (hereinafter the "initial year benefit cap").

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

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

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

SECTION 4. The Mayor and City Commission of the City of Hallandale Beach hereby amend Section 21-341 "Deferred retirement option plan" of Chapter 21, Article IV, Division 2, "Pension Plans" of the Code of Ordinances as follows:
Sec. 21-341. - Deferred retirement option plan.

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

(g) An eligible police member who enters the DROP on or after February 15, 2026 may participate in the DROP for a period not to exceed a maximum of eight years or a total of 33 years of service (including purchases of service credit and buyback). For those police members who enter DROP prior to February 15, 2026, the maximum DROP participation period is five years or a total of 30 years of service (including purchases of service credit and buyback). However, effective February 15, 2026, such police members who were participating in the DROP on that date may extend their DROP participation period for up to three years beyond the five year maximum DROP participation period. ~~The maximum period of participation in the DROP is five years or a total of 30 years of service (including purchases of service credit and~~

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buyback). Notice of election to DROP must be accompanied by a post-dated letter of resignation which shall be fully binding upon the member. Any subsequent election to voluntarily terminate employment, prior to the maximum limit of the DROP, shall be by binding written notice to the employer at least 30 days in advance.

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

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

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

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

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

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

SECTION 7. Codification. It is the intention of the Mayor and City Commission that the provisions of this ordinance be incorporated into the Code of Ordinances; to

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effect such intention the words "ordinance" or "section" may be changed to other appropriate words.

SECTION 8. Effective Date. This Ordinance shall be effective immediately upon adoption on Second Reading, except as otherwise specifically provided herein.

PASSED on 1st reading this _____ day of _____, 20__.

PASSED AND ADOPTED on 2nd reading this _____ day of _____, 20__.

JOY F. COOPER
MAYOR

ATTEST:

JENORGEN GUILLEN
CITY CLERK

APPROVED AS TO LEGAL SUFFICIENCY
FORM

JENNIFER MERINO
CITY ATTORNEY

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