

REGULAR MEETING OF THE CITY COMMISSION
October 24, 2011

The meeting of the Winter Park City Commission was called to order by Mayor Kenneth Bradley at 3:30 p.m. in the Commission Chambers, 401 Park Avenue South, Winter Park, Florida.

The invocation was provided by Mayor Bradley, followed by the Pledge of Allegiance.

Members present:

Mayor Kenneth Bradley
Commissioner Steven Leary
Commissioner Sarah Sprinkel
Commissioner Carolyn Cooper
Commissioner Tom McMacken

Also present:

City Manager Randy Knight
City Attorney Larry Brown
City Clerk Cynthia Bonham

Approval of the agenda

Motion made by Commissioner McMacken to approve the agenda; seconded by Commissioner Sprinkel and approved by acclamation of the City Commission.

Mayor's Report

- a. Presentation of City Hall Commission Chamber flags – Lakemont Elementary Student Council

Courtney Poppell, representing the Lakemont Elementary Student Council, presented the students who shared information on each flag displayed in the Commission Chamber.

- b. "Week of the Family" proclamation

Mayor Bradley proclaimed October 29 through November 5 as "Week of the Family" in Winter Park. The following were present to accept the proclamation: Kevin Bush, Orlando Stake President for the Church of Jesus Christ of Latter-day Saints and Donna Parker, Orange County's Week of the Family Committee.

- c. Check presentation – Friends of Fleet Peeples Park

Parks and Recreation Director John Holland accepted a check of \$40,000 from John Fishback, Chairman of Friends of Fleet Peeples Park. This was from fundraising efforts made of the group and will go toward a new ADA accessible restroom and a dog wash facility at the park. He mentioned that they are prepared to raise additional funds to help pay for this.

City Manager's Report

- a. Pension study update

City Manager Knight updated the Commission on the pension study and provided a summary report (attached). He also provided the Commission with copies of the "City of Sarasota 2011 PBA Impasse Summary dated October 19, 2011" (attached) and a copy of the "Bill Summary HB 365, Representative Fred Costello, City Police/Fire Pensions, Fire/Police Correctional

Disability Presumptions dated October 18, 2011 (attached). Discussion ensued as to each Commissioner's preference. Questions of the Commission were answered by Mr. Knight.

Upon further discussion, **motion made by Commissioner McMacken for City Manager Knight to continue to have them study the four items, if there is any information to be gleaned from the City of Sarasota report that is in addition to the four items, he would like to have them take a look at that and would like by the next meeting to have a time certain before the holidays or he is going to make a motion that they talk to someone else; seconded by Commissioner Cooper and approved by acclamation of the City Commission.**

City Manager Knight reported on the Mead Gardens lease agreement discussions and suggested having a work session to discuss the item in more detail. There was consensus to schedule a work session for Tuesday, November 8 from 5:00 p.m. to 6:00 p.m.

City Manager Knight reported that we received State approval for the red light cameras to be installed on State roads.

City Attorney's Report

Commissioner Cooper asked if Attorney Brown has reviewed the information that she sent out and if there were any violations of the Sunshine Law. Attorney Brown said he does not believe that a Sunshine Law violation occurred and noted that he prepared a letter with his findings.

Non-Action Items

No items.

Consent Agenda

- a. Approve the minutes of 10/10/11. - **PULLED FROM CONSENT AGENDA FOR DISCUSSION – SEE BELOW**
- b. Approve the following purchases and contracts:
 1. PR 147840 to Winter Park Historical Association for FY12 organizational support; \$70,000
 2. Blanket Purchase Order to Lina (Cigna) for Lift, Accidental Death and Dismemberment and Long Term Disability Insurance (RFP-19-2008); \$113,134.28
 3. Blanket Purchase Order to Aetna for Administrative Contract Service Fee for Medical Insurance (RFP-6-2007); \$262,810.99
 4. Blanket Purchase Order to Aetna for Administrative Stop Loss for Medical Insurance (RFP-6-2007); \$415,516.37
 5. Blanket Purchase Order to Metlife for Dental Insurance (RFP-18-2008); \$354,109.15
 6. Blanket Purchase Order to GATSO USA for Red Light Safety Enforcement (RFP-13-2009); \$552,000
 7. PR 147880 to Brown & Brown of Florida, Inc. for Risk Management Services; \$115,000
 8. PR 147862 to Mobile Tec International, Inc. for Annual Support of Public Safety Computer Aided Dispatch and Records Management System; \$65,030
 9. PR 147862 to Sungard Public Sector for Annual Support of ERP Software; \$86,629.80

10. After the fact Purchase Order 145616 to Winter Park Public Library for October 2011 Organizational Support; \$113,767.63
 11. PR 147888 to Software House International for Annual Microsoft Enterprise Software Support; \$60,299
 12. Blanket Purchase Order to William J. Peebles for State Lobbyist Services; \$52,000
 13. Blanket Purchase Order to Brown, Garganese, Weiss & DeGresta for Attorney Services (RFP-21-2009); \$300,000
 14. Blanket Purchase Order to Alcalde & Fay for Federal Lobbyist Services; \$62,000 – **PULLED FROM CONSENT AGENDA FOR DISCUSSION – SEE BELOW**
 15. Blanket Purchase Order to Shutts & Bowen for Labor Attorney Services; \$100,000
 16. Authorize the Mayor to execute the Maintenance Agreement for Public Safety Computer Aided Dispatch and Records Management System
 17. Piggybacking GSA Schedule GS-07F-0350X with Interworld Highway, LLC and authorize the Mayor to execute the Piggyback Contract for Scientific Equipment and Services; \$3,000
- c. Authorize the City Manager, in consultation with the City Attorney, as needed, to sign purchase orders for payment of HIDTA personnel and operations, subject to the condition that the HIDTA grant funds will be the sole source of money to pay these obligations.
- d. Approve the use up to \$25K of FY 2012 budgeted Parks Department improvement fund to improve the golf bag storage area of the Starter's House to provide insulated/air conditioned space.

Motion made by Commissioner McMacken to approve Consent Agenda Items 'b-1-13', 'b-15-17', 'c' and 'd'; seconded by Commissioner Sprinkel and approved by acclamation of the City Commission.

Consent Agenda Item 'a' - Approve the minutes of 10/10/11.

The minutes were approved as corrected.

Motion made by Commissioner Cooper that on page 7, to add "performance", on page 12 that it states "speak about the Veterans Program", on page 12 that it states "Legends" instead of 'Regents'; seconded by Commissioner McMacken and approved with by acclamation of the City Commission.

Motion made by Commissioner Cooper to change the word "numerous" relative to the number of petitions and signatures that were submitted by the citizens and have the Clerk enter the number of signatures that were on the petitions; seconded by Commissioner McMacken. Motion failed with a 3-2 vote with Mayor Bradley, Commissioner Leary and Sprinkel voting no and Commissioners Cooper and McMacken voting yes.

Discussion ensued about removing references in the minutes presented before them. Attorney Brown explained what is required in the minutes and that there is no mechanism for removing statements from the minutes if they are correct statements of what was discussed. He further commented that because someone does not like what was discussed is not a cause for removing a reference to what was discussed because the minutes are to reflect what actually happened.

After discussion, City Manager Knight advised that staff would prefer to do action minutes and not attempt to include extra dialogue because there is always a question of what to include and it is objective on the Clerk's part to try and figure out what is important. He asked the Commission for direction.

Motion made by Commissioner Cooper that the entire discussion under Mayor Bradley's section and under Commissioner Cooper's section be listed verbatim in the minutes; seconded by Commissioner McMacken. The motion failed with a 3-2 vote with Mayor Bradley and Commissioners Leary and Sprinkel voting no and Commissioners Cooper and McMacken voting yes.

Motion made by Mayor Bradley that the minutes reflect a striking of the sentence or move an amendment that she (Commissioner Cooper) sent out to see if there was a Sunshine Law violation be stricken from the record; seconded by Commissioner Cooper and approved with a 5-0 vote.

Upon discussion, **motion made by Commissioner Sprinkel to request action minutes for this meeting; seconded by Commissioner Leary. Discussion ensued as to the process. Approved by a 4-1 vote with Commissioner Cooper voting no.**

Consent Agenda Item 'b-14' - Blanket Purchase Order to Alcalde & Fay for Federal Lobbyist Services; \$62,000

Motion made by Mayor Bradley that we do a formal Request for Proposal (RFP) for the Federal Lobbyist services and to not terminate the current contract at this time; seconded by Commissioner McMacken.

City Manager Knight advised that he will notify Alcalde & Fay that we are putting this out for bid and in the meantime we will be working under their contract on a month-to-month basis until the RFP is completed.

Upon a roll call vote, Mayor Bradley and Commissioner Leary voted yes. Commissioners Sprinkel, Cooper and McMacken voted no. The motion failed with a 3-2 vote.

Motion made by Commissioner Sprinkel that the City Manager bring back to the Commission recommendations for the Federal and State Lobbyist renewal or RFP process; seconded by Mayor Bradley. Upon a roll call vote, Mayor Bradley and Commissioners Leary, Sprinkel, Cooper and McMacken voted yes. The motion carried unanimously with a 5-0 vote.

Public Comments

Marti Miller, 1399 Aloma Avenue, felt that the Commission should make a public apology to Commissioner Cooper for publicly attacking her on the dais during the last meeting.

Sally Flynn, 1400 Highland Road, asked why there is opposition to amend the minutes to reflect the exact number of signatures on the petition that she submitted at the last meeting. She noted that the petition was in opposition to the CNL proposal and contained 234 signatures from Winter Park residents.

Bill Shallcross, 1450 Bonnie Burn Circle, encouraged the Commission to have verbatim minutes since the audio files are destroyed every two years. He mentioned the construction project on Lakemont and Aloma and urged the Commission to find a way to expedite public road projects.

Jackie Ellis, Base Camp American Childhood Cancer Organization, asked the community for support by donating funds, food baskets, volunteering efforts or becoming a board member.

Donna Colado, 327 Beloit Avenue, disagreed with comments made at the last meeting and asked that the upcoming agenda list the correct language pertaining to the State Office Building negotiations.

A recess was taken from 5:22 p.m. to 5:38 p.m.

Action Items Requiring Discussion:

- a. Review and approval of the exchange agreement between the City of Winter Park and Progress Point LLC for the State Office Building property

This item was postponed until November 14, 2011.

- b. Adoption of the official City of Winter Park Flag

Communications Director Clarissa Howard presented the choices for the City's flag and recommended option #1. **Motion made by Commissioner Cooper to adopt staff's recommendation; seconded by Commissioner McMacken.** Commissioner Leary preferred option #3. **Upon a roll call vote, Mayor Bradley and Commissioners Sprinkel, Cooper and McMacken voted yes. Commissioner Leary voted no. The motion carried with a 4-1 vote.**

- c. State legislative priorities

City Manager Knight provided the State legislative priorities (attached) and answered questions of the Commission. **Motion made by Commissioner Leary to approve the priorities; seconded by Commissioner McMacken.** Commissioner Sprinkel asked that a more detailed or specific list on the bigger topics be provided. City Manager Knight acknowledged.

Bill Shallcross, 1450 Bonnie Burn Circle, asked that the list be abbreviated and to include the costs. He also spoke about deleting the quiet zones from the list.

Commissioner Cooper asked City Manager Knight if he would send them the list of Federal legislative priorities. The request was acknowledged. City Manager Knight clarified that the lobbyist is actively working on the top three items on the State legislative priority list and if the Commission would like to reprioritize the list to let him know. Commissioner Cooper asked if they could also see the financial data on these items. The request was acknowledged.

Upon a roll call vote, Mayor Bradley and Commissioners Leary, Sprinkel, Cooper and McMacken voted yes. The motion carried unanimously with a 5-0 vote.

Public Hearings

- a. Requests of the City of Winter Park: To revise the public notice requirements for City-wide notices to streamline the zoning approval process:
- AN ORDINANCE OF THE CITY OF WINTER PARK, FLORIDA, AMENDING CHAPTER 58 "LAND DEVELOPMENT CODE" ARTICLE III, "ZONING" SO AS TO REVISE THE PUBLIC NOTICE REQUIREMENTS FOR ZONING AMENDMENTS AND CONDITIONAL USES AND THE EXTENSION OR RE-ESTABLISHMENT OF CONDITIONAL USES, PROVIDING FOR SEVERABILITY, CODIFICATION, CONFLICTS AND AN EFFECTIVE DATE
 - AN ORDINANCE OF THE CITY OF WINTER PARK, FLORIDA, AMENDING CHAPTER 58 "LAND DEVELOPMENT CODE" ARTICLE I, "COMPREHENSIVE PLAN" SO AS TO ADOPT NEW PUBLIC NOTICE AND ADOPTION PROCEDURES FOR AMENDMENTS TO THE CITY OF WINTER PARK COMPREHENSIVE PLAN SUBSTITUTING FOR THE CURRENT AMENDMENT PROCEDURES, PROVIDING FOR SEVERABILITY, CODIFICATION, CONFLICTS AND AN EFFECTIVE DATE

Attorney Brown read both ordinances by title. Planning Director Jeff Briggs explained the proposed changes. He answered questions regarding the public notice process and the length of time associated with the notifications.

Motion made by Commissioner Sprinkel to accept the first ordinance on first reading; seconded by Commissioner Leary.

Motion made by Commissioner Sprinkel to accept the second ordinance on first reading; seconded by Commissioner Leary.

Motion amended to the first ordinance by Commissioner Cooper - Section 58-89 (2) (c) to not delete the requirement (leave the statement in) that owners of record receive notice within 1,500 feet (to be applied to both ordinances); seconded by Commissioner McMacken.

Motion amended to the first ordinance by Commissioner Cooper - Section 58-90 (d) (2) to delete the last sentence of the first paragraph (For projects requiring city-wide notice, the alternative use of a quarter page display advertisement in a newspaper of general circulations shall substitute); seconded by Commissioner McMacken.

Upon a roll call vote on the first amendment, Mayor Bradley and Commissioners Leary, Sprinkel, Cooper and McMacken voted yes. The motion carried unanimously with a 5-0 vote.

Upon a roll call vote on the second amendment, Mayor Bradley and Commissioners Leary and Sprinkel voted no. Commissioners Cooper and McMacken voted yes. The motion failed with a 3-2 vote.

Motion amended to the second ordinance by Commissioner Cooper – Section 58-6 (a) (3)b to delete “affecting more than 80,000 square feet of land.” Motion failed for lack of a second.

Upon a roll call vote on the first ordinance as amended, Mayor Bradley and Commissioners Leary, Sprinkel, Cooper and McMacken voted yes. The motion carried unanimously with a 5-0 vote.

Upon a roll call vote on the second ordinance, Mayor Bradley and Commissioners Leary, Sprinkel, Cooper and McMacken voted yes. The motion carried unanimously with a 5-0 vote.

- b. Request for 10 year Conditional Use approve extension for Mr. Felix Furst for the project at 170 S. Knowles Avenue.

Planning Director Jeff Briggs explained the request for the four unit townhouse project located at 170 S. Knowles Avenue and that this was back on the agenda because of a requirement of advertising. This would add another five years and would be effective until October 24, 2021.

Motion made by Commissioner Sprinkel to approve the extension of the conditional use request, seconded by Commissioner Leary. Upon a roll call vote, Mayor Bradley and Commissioners Leary and Sprinkel voted yes. Commissioners Cooper and McMacken voted no. The motion carried with a 3-2 vote.

- c. Request of Winter Park Investors LLC on behalf of WAWA, Inc.: Conditional use approval to construct a convenience store and drive-in gas/fuel sales at 901 and 911 North Orlando Avenue

Each Commissioner disclosed their ex-parte conversations with the applicant. Planning Director Jeff Briggs summarized the site and the conditional use request. He noted that he is comfortable with the architecture of the proposed canopy and the landscaping and indicated that it is an upgrade from the minimum requirement listed in the code.

Applicant Brian Pomykacz, Real Estate Manager for WAWA, provided a presentation and video regarding the history of their company and how the company will integrate into the surrounding community.

Ryan Stahl, Equinox Development Group provided the site plan, showed renderings of the proposed building and explained how the building will look both inside and outside.

Motion made by Commissioner McMacken to approve the conditional use request, seconded by Commissioner Sprinkel.

Bill Shallcross, 1450 Bonnie Burn Circle, indicated that this is not a project that he would prefer to see in the City and encouraged the Commission to carefully consider approving the project.

Bee Epley, 151 N. Orlando Avenue, spoke in favor of the project.

Upon a roll call vote, Mayor Bradley and Commissioners Leary, Sprinkel, Cooper and McMacken voted yes. The motion carried unanimously with a 5-0 vote.

- d. **ORDINANCE NO. 2859-11: AN ORDINANCE OF THE CITY OF WINTER PARK, FLORIDA VACATING AND ABANDONING THE EASEMENT LOCATED AT 1500 SUMMERLAND AVENUE, MORE PARTICULARLY DESCRIBED HEREIN, PROVIDING AN EFFECTIVE DATE. Second Reading**

Attorney Brown read the ordinance by title. **Motion made by Commissioner McMacken to adopt the ordinance; seconded by Commissioner Sprinkel.** No public comments were made. **Upon a roll call vote, Mayor Bradley and Commissioners Leary, Sprinkel, Cooper and McMacken voted yes. The motion carried unanimously with a 5-0 vote.**

City Commission Reports:

- a. Commissioner Leary – no report
b. Commissioner Sprinkel – no report
c. Commissioner Cooper

Commissioner Cooper asked for support to look at the existing ordinance regarding when our elections are held as related to the Presidential Preference Primary election as they move forward. There was not a consensus to discuss this on a future agenda.


Commissioner Cooper followed up on her Coffee talk from last week and asked for clarification on three questions that she could not answer.

- d. Commissioner McMacken – no report
e. Mayor Bradley

Mayor Bradley spoke about operation gratitude that was held last year with the Fire Department and Andrew Weinstock and urged the City to continue to support this effort.

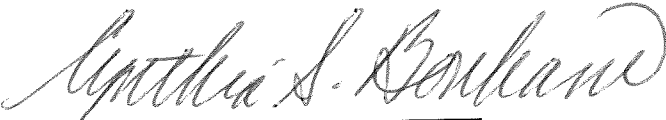
City Manager Knight advised that there was an unfortunate accident that happened today with one of the City's fire engines and a bicyclist and our condolences go out to the bicyclist as he did not survive. A moment of silence was given for this individual.

The meeting adjourned at 7:28 p.m.



Mayor Kenneth W. Bradley

ATTEST:



City Clerk Cynthia S. Bonham

City Manager

Pension Discussion

Based upon the Foster and Foster report, the city has approved two changes

- 1 Interest paid on employee contributions when employee leaves before vesting
- 2 No COLA for employee leaving before 20 years or normal retirement date

These changes were projected to save the City a little more than 2% of payroll.

Those changes are reflected in the contracts with the unions but the State Division of Retirement has threatened that if we implement them we will lose all of our State 175/185 monies. Approx \$600k. The loss of revenue exceeds the reduction in costs. Therefore we have not adopted the ordinances that would be required to actually implement the changes.

A couple of months ago Commission Cooper introduced me to Jack Miles, Secretary of DMS who oversees the Division of Retirement. We met with Mr. Miles and conferenced in the Division of Retirement by phone from my office. They held to their interpretation of the law, but did agree that if I formally submitted our proposed changes they would give us a formal ruling. I have now done so.

About a year ago the city contracted with Jim Linn to consult with the city on potential pension changes. He and Michael Teirney helped the city implement the actuarial smoothing which has helped the city smooth out the large spike that was coming.

They were also contracted to help us look at other ways to reduce costs under the rules of the Division of Retirement. When the Legislature took up a pension reform bill last spring, we put the work on hold to see the results. As you know, they did very little to help.

Based upon the current DOR interpretation of the law there is little we can do without losing the 175/185 monies, which forces the city's hand to do more drastic changes if we feel we need to reduce costs.

Therefore we have asked our consultant to look at 4 scenarios so we at least have the information.

- 1) Elimination of the COLA for all future service.
- 2) Close current DB Plan to new members; future hires go to DC Plan. DB benefits remain unchanged for current members.
- 3) Freeze current DB Plans; current members keep what they have accrued to date in DB but go into a DC Plan going forward.
- 4) Freeze current DB Plans; current members keep what they have accrued to date in DB but go to a new minimum benefits DB plan going forward.

All 4 of these would impact, if not completely eliminate, State revenues.

We expected to have a report by now but we do not. To be honest, I am very frustrated with our consultant. At this point they have only studied the first item and did not give us a multi-year projection on that one. To study the rest, they want \$

Part of the reason they have not delivered is they have been very busy around the State doing similar studies. The City of Sarasota recently completed the same basic studies. I have provided you a Power Point Presentation of the results. Our consultant says our results would be similar, scaled down for size of course. The last slide shows the action they took at their 10/17/11 meeting. After tremendous pressure, they backed off on converting to a DB for new hires but did reduce benefits. They fully anticipate losing all of the state revenue.

A new House Bill (HB 365) has been filed by Representative Costello out of Ormond Beach. I have provided you with a summary of that Bill. The first two items would make it possible to make changes without losing the State Revenue.

However, it is an election year, so counting on the Legislature to address any issue that is perceived to hurt unions is iffy at best.

It is important to remember that whatever we do, it will require negotiations with the two bargaining units, even though the plans also involve non-bargaining unit members.

As I see it we have three basic options:

- 1) Continue with the proposed studies and then make a decision.
- 2) Modify what we want studied, if some or all of these items are too drastic.
- 3) Put the studies on hold until after this legislative session is over to see if there is any relief.

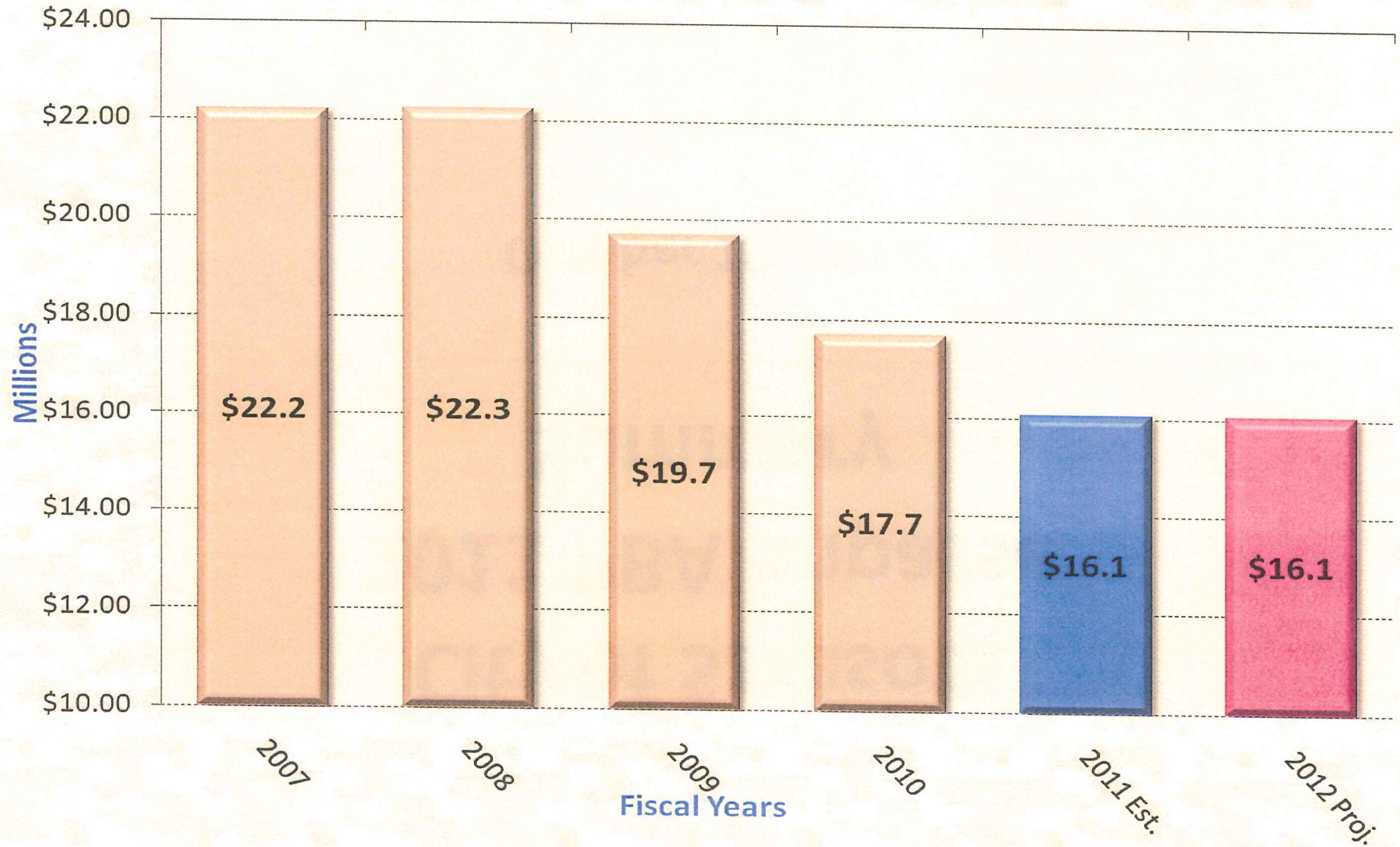
BILL SUMMARY
HB 365
REP. FRED COSTELLO
CITY POLICE/FIRE PENSIONS
FIRE/POLICE/CORRECTIONAL DISABILITY PRESUMPTIONS
OCTOBER 18, 2011

1. **Collective Bargaining Over Retirement Benefits and Revenues:** Allow cities and police/fire unions to collectively bargain the retirement benefits provided pursuant to, and the use of insurance premium tax revenues provided under, Chapters 175 or 185, Florida Statutes. If a collective bargaining agreement ends without a new agreement coming into effect, retirement benefits revert to the chapter minimum benefit levels and premium taxes are to fund these benefit levels until a new agreement is effective. (These changes would remove the current state law mandate that specified insurance premium tax revenues be used only for new or “extra” retirement benefits for firefighters and police officers.)
2. **Alternative Retirement Plans:** Allow cities to unilaterally transition to a defined contribution plan, the Florida Retirement System, or another retirement program for police/fire and continue to receive insurance premium tax revenues to pay for the retirement expenses.
3. **Boards of Trustees Fiscal Transparency and Accountability:** Require statutorily created police/fire pension boards of trustees to adopt and operate under an administrative expense budget, and require a detailed accounting of pension boards of trustees’ expenses.
4. **Tax Relief:** If a city chooses not to receive insurance premium tax revenues, provide tax relief to citizens within that city and do not continue to levy the city’s portion of the insurance premium tax.
5. **Fiscally Responsible Retirement Plan Termination:** Require police/fire pension boards of trustees and cities to work together for a fiscally responsible distribution of plan assets if a city must terminate its police/fire retirement plan.
6. **Clarify (Again) Police Overtime Used for Retirement Purposes:** Due to an incorrect interpretation by the Division of Retirement of the law passed in 2011, clarify that police officers may use up to 300 hours per year in overtime compensation when calculating retirement benefits as provided in the plan or collective bargaining agreement, and that police officers are not entitled to the use of a minimum of 300 hours per year in overtime compensation for retirement purposes.
7. **Disability Presumptions:** Reform current statutory disability presumptions for firefighters, law enforcement officers, and correctional officers relating to tuberculosis, heart disease, or hypertension to require the employee to meet age and employment requirements, allow the presumption to be overcome by a preponderance of evidence, and allow certain individual risk factors to be considered when applying the presumption. Disability presumptions are applicable to both workers’ compensation and disability pension claims. (These proposals may be adjusted based upon the findings and recommendations of the current Task Force on Public Employee Disability Presumptions).

**City of Sarasota
2011 PBA Impasse
Summary**

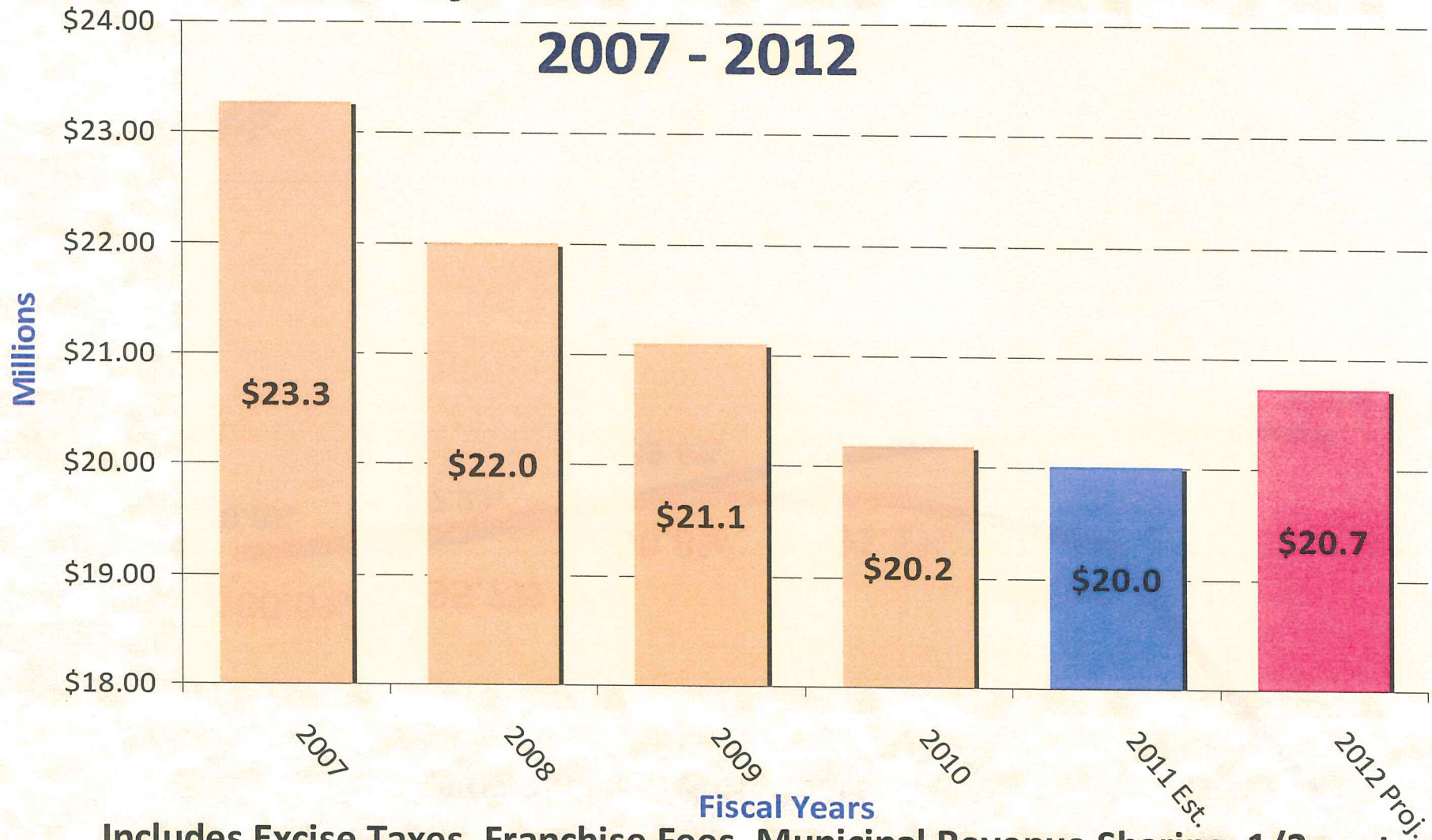
October 19, 2011

City Ad Valorem Tax Revenue 2007 - 2012



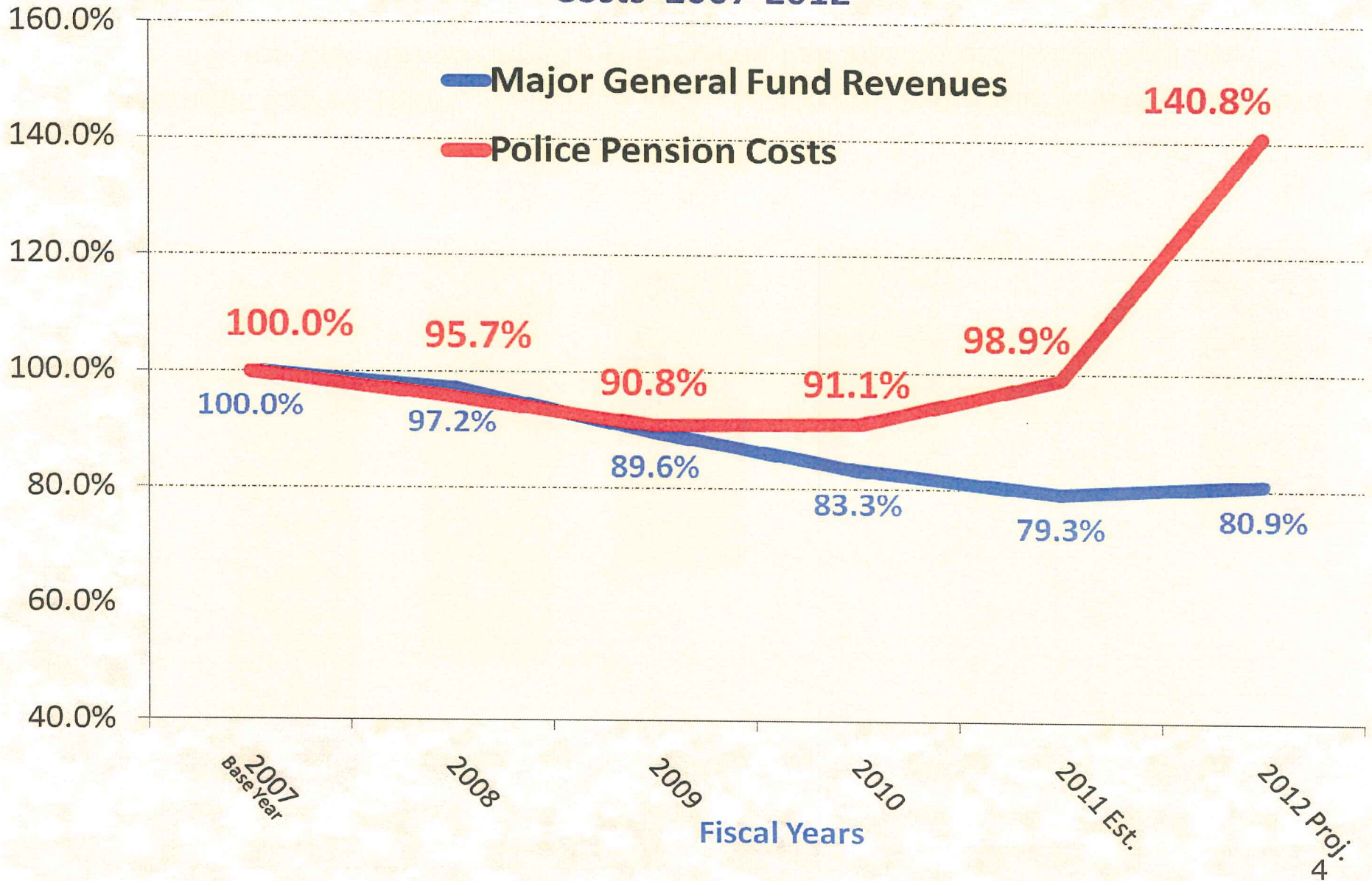
Other Major General Fund Revenues

2007 - 2012



Includes Excise Taxes, Franchise Fees, Municipal Revenue Sharing, 1/2 cent Sales Tax, Communication Services Tax and Investment Earnings.

Trend In Major General Fund Revenues versus Police Pension Costs 2007-2012



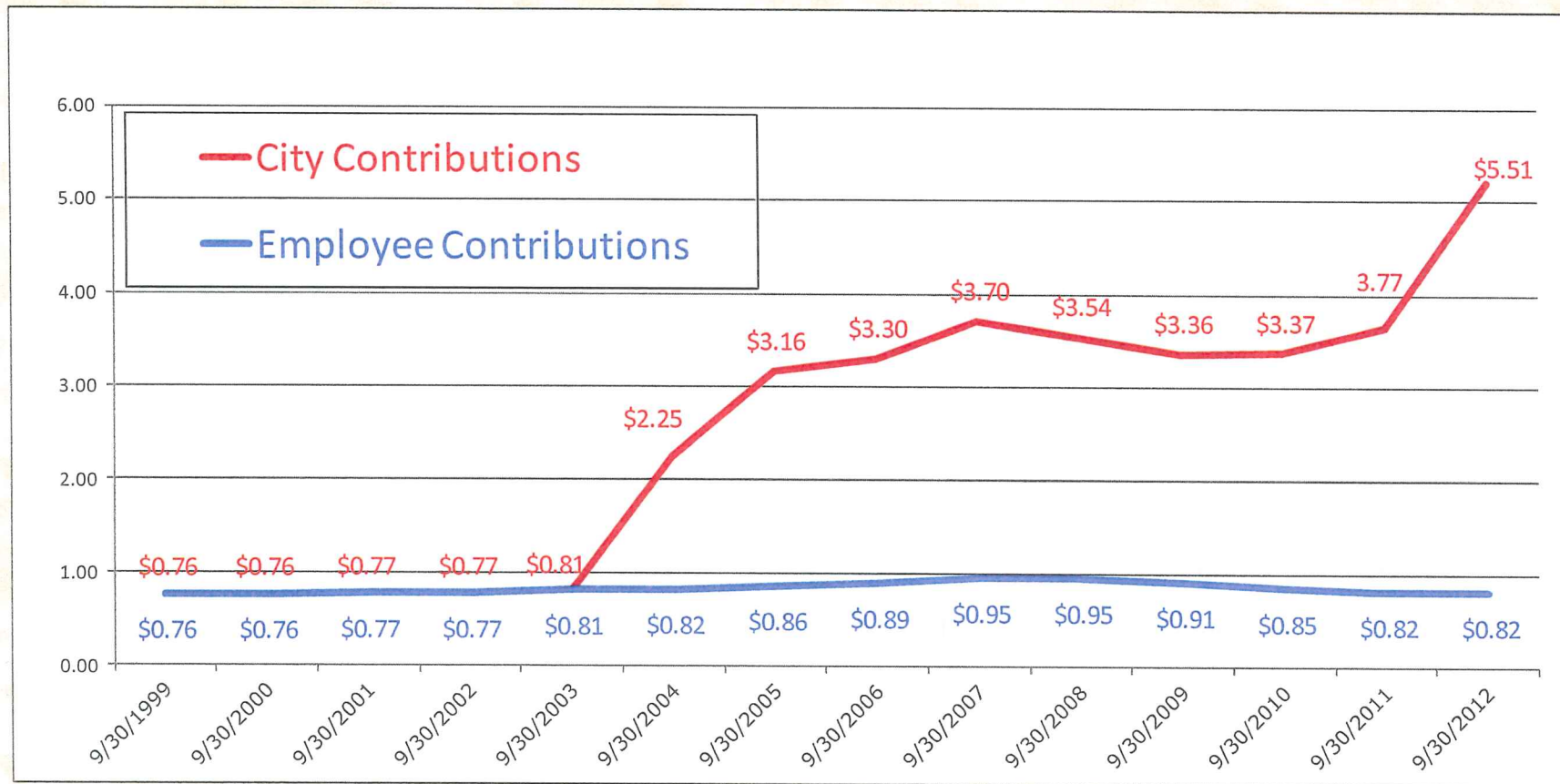
City Police Pension Contributions FY 2003-2012

FYE	City Contribution		
9/30/2003	\$ 0.81	Million	8.00 % of payroll
9/30/2004	\$ 2.28	Million	22.11 % of payroll
9/30/2005	\$ 3.16	Million	29.26 % of payroll
9/30/2006	\$ 3.30	Million	29.42 % of payroll
9/30/2007	\$ 3.70	Million	30.86 % of payroll
9/30/2008	\$ 3.54	Million	29.87 % of payroll
9/30/2009	\$ 3.36	Million	29.63 % of payroll
9/30/2010	\$ 3.37	Million	31.17 % of payroll
9/30/2011	\$ 3.77	Million	35.94 % of payroll
9/30/2012	\$ 5.51	Million	50.81 % of payroll

+ 680% since 2003

Growth in City Contributions to Police Pension Plan 1999-2012

(in millions)

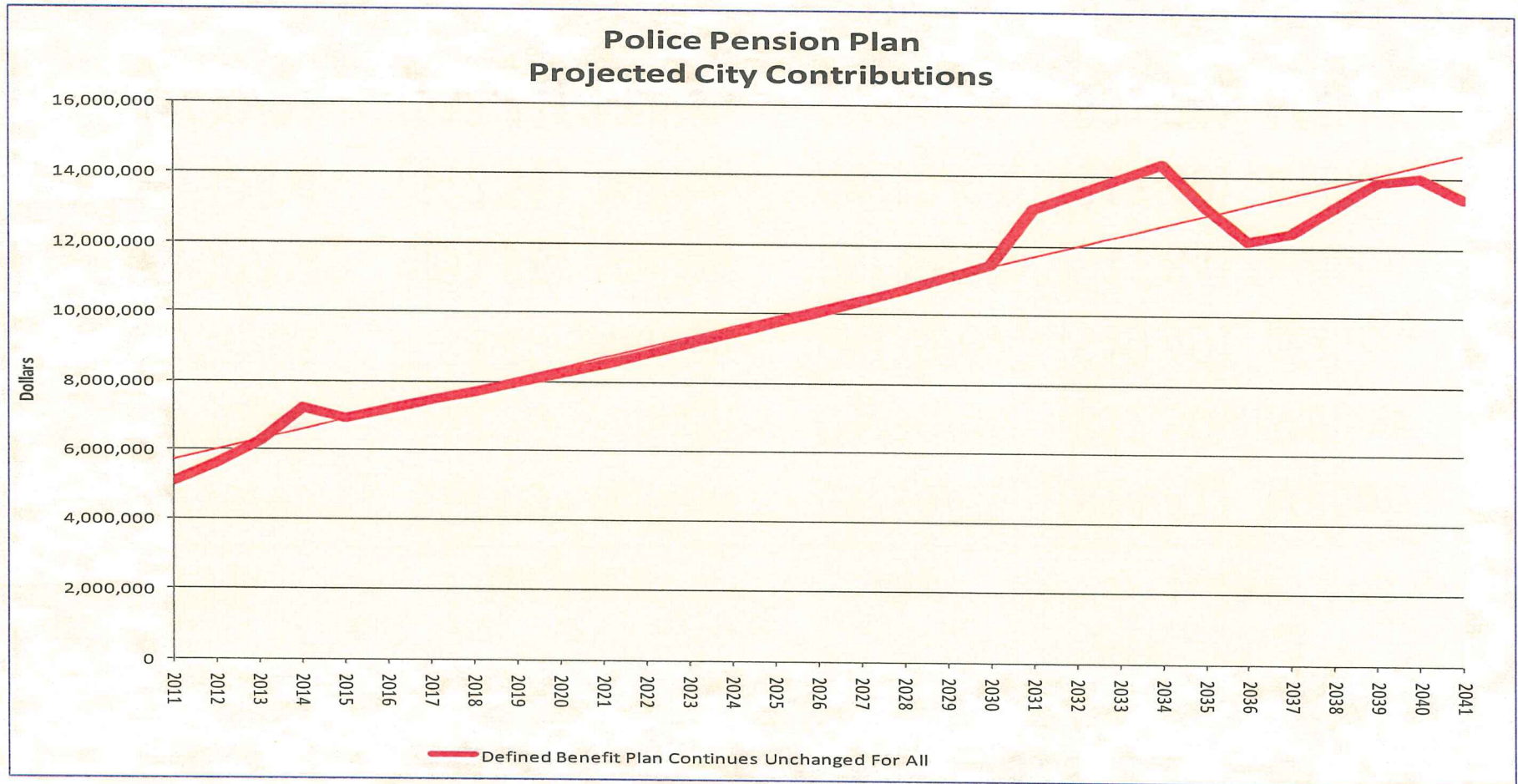


Growth in Unfunded Actuarial Accrued Liability 1999 - 2010

<u>FYE</u>	<u>UAAL</u>	<u>FYE</u>	<u>UAAL</u>
09/30/99	\$17.09 Million	09/30/05	(\$14.41) Million
09/30/00	\$12.26 Million	09/30/06	(\$12.50) Million
09/30/01	\$8.29 Million	09/30/07	(\$10.49) Million
09/30/02	(\$1.98) Million	09/30/08	(\$11.84) Million
09/30/03	(\$12.56) Million	09/30/09	(\$17.40) Million
09/30/04	(\$13.41) Million	09/30/10	(\$31.70) Million

Unfunded liabilities increased nearly \$49 million in 12 Years

Projected City Pension Costs (If No Changes) 2011 - 2041



City Pension Proposal

Overview

- **Current Plan Benefits Frozen** – current members keep full value of all benefits earned prior to freeze.
- **Defined Benefit Plan Benefits Modified for Future Service.** Vested members can continue to earn benefits under modified DB plan for future service.
- **New Defined Contribution Plan** for Non-Vested Members and Employees hired in the future.

City Pension Proposal

Changes to Defined Benefit Plan for Future Service:

- **Cost of Living Adjustment – 2.0% annual increase** beginning at age 67. Current 3.2% COLA will apply to benefit based on service earned prior to plan change.
- **Normal Form of Benefit – 10 years certain and life thereafter.** No cost survivor benefit to spouse replaced by survivor options that member can elect by receiving reduced monthly benefit.
- **Overtime pay limited to 300 hours** per year for pension purposes (consistent with recent state legislation).
- **5 year averaging period for final average comp.** (now 3 years).
- **DROP – reduce DROP interest rate to 2.0%** - now 6.5% – (recent change in Florida Retirement System DROP to 1.3% interest).

City Pension Proposal

Defined Contribution Plan - Contributions

- Employee contributions and the City's match are as follows:
 - Required employee contribution: 8%
 - Required City contribution: 8%
 - Additional voluntary employee contribution: up to 8%
 - Additional City matching contribution: up to 8%
 - **Maximum total City/employee contribution: 32%**

City Pension Proposal

Defined Contribution Plan – Vesting of City Contribution

Employee Vesting Schedule:

<u>Years Service</u>	<u>Vesting %</u>
1 – 4	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

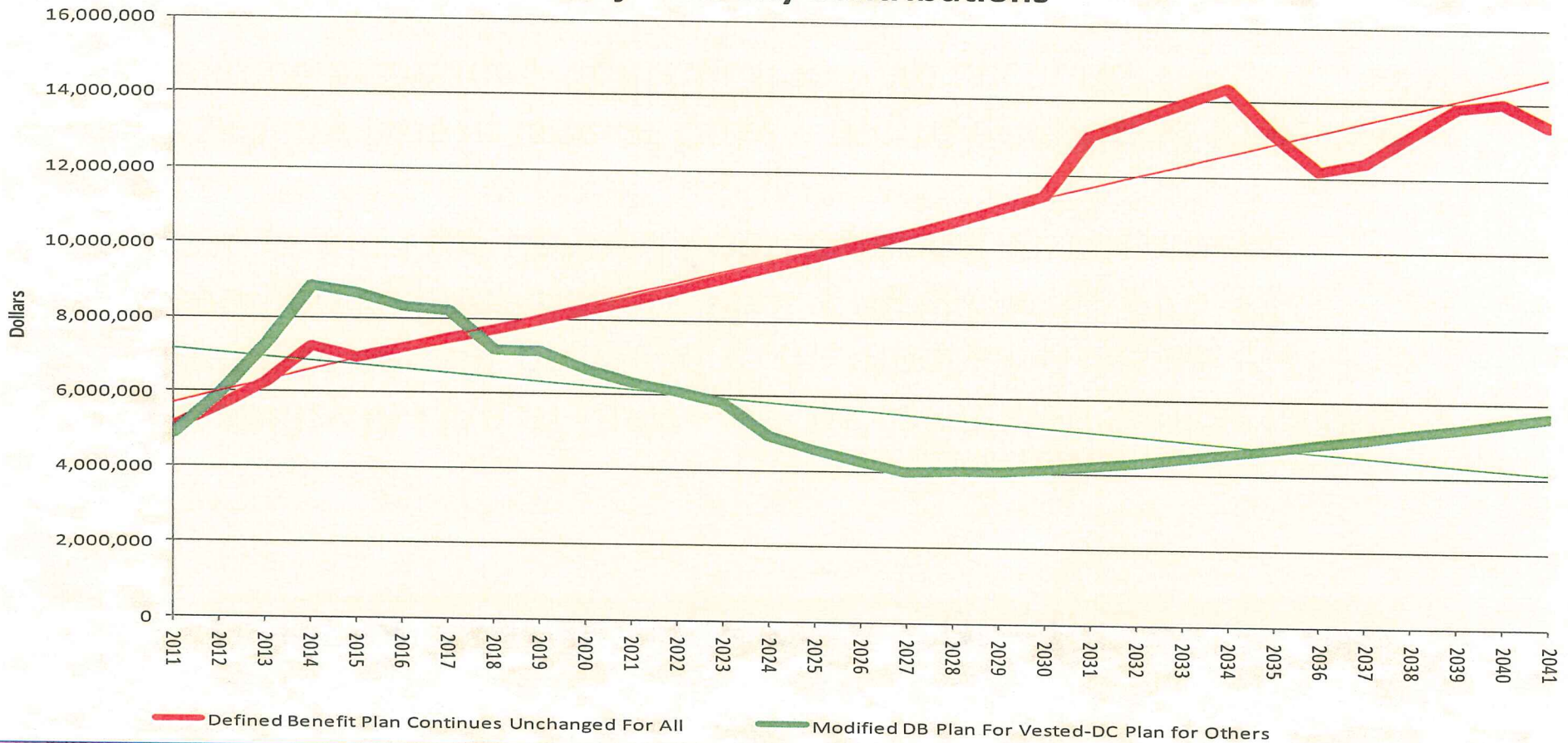
City Pension Proposal

Defined Contribution Plan – Disability Benefits

- **Disability In Line of Duty** - will be calculated similar to the disability benefit provided to members still vested in the Modified Defined Benefit Plan. City will fund with 4% contribution for Defined Contribution Plan members.
- **Disability Not In Line of Duty** – member entitled to vested balance in Defined Contribution Plan account.

City Pension Proposal – Projected Savings \$135 Million Over 30 Years

**Police Officers' Retirement Plan
Projected City Contributions**



City Commission Final Action 10/17/11

- **No Defined Contribution Plan** for current or future employees.
- **Benefit freeze** – current employees retain full value of accrued pension benefits earned prior to freeze.
- **Reductions in pension benefits for future service:**
 - **Cost of Living Adjustment – 1.0% annual increase** beginning at age 65 (now 3.2% beginning year after retirement)
 - **Normal Form of Benefit – 10 years certain;** member can elect survivor option by receiving reduced monthly benefit (now no cost 66% survivor benefit to spouse).
 - **Overtime pay limited to 300 hours** per year for pension purposes (now no limit on overtime pay).
 - **5 year averaging period for pension calculation** (now 3 years).
 - **DROP** – reduce DROP interest rate to 2.0% (now 6.5%)