



HB 0549

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1 A bill to be entitled

2 An act relating to the West Palm Beach Police Pension Fund
3 of the City of West Palm Beach, Palm Beach County;
4 revising provisions relating to membership of the Board of
5 Trustees, chapter 185 share accounts, and deferred
6 retirement option plan accounts; providing for the repeal
7 of any part of the special act or resolution in conflict
8 herewith; providing an effective date.

9
10 Be It Enacted by the Legislature of the State of Florida:

11
12 Section 1. Paragraph (a) of subsection (3) of section 16
13 of chapter 24981, Laws of Florida, 1947, as amended by chapter
14 2002-359, Laws of Florida, is amended to read:

15 Section 16. West Palm Beach Police Pension Fund.--

16 (3) Board of Trustees of Police Pension Fund.--

17 (a) Board of Trustees created.--There is hereby created a
18 Board of Trustees, which shall be solely responsible for
19 administering the West Palm Beach Police Pension Fund. The
20 Board shall be a legal entity, with the power to bring and
21 defend lawsuits of every kind, nature, and description and shall
22 be independent of the City to the extent required to accomplish
23 the intent, requirements, and responsibilities provided for in
24 this act. The Board shall consist of seven ~~five~~ trustees, as
25 follows:

26 1. Three ~~Two~~ legal residents of the City, who shall be
27 appointed by the City. Each resident trustee shall serve as a
28 trustee for a period of 2 years, unless sooner replaced by the
29 City, at whose pleasure he or she shall serve, and may succeed
30 himself or herself as a trustee.



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31 2. Two police officers, who shall be elected by a majority
 32 of the police officers who are members of the Fund. Elections
 33 shall be held under such reasonable rules and regulations as the
 34 Board shall from time to time adopt. Each member-trustee shall
 35 serve as trustee for a period of 2 years, unless he or she
 36 sooner ceases to be a police officer in the employ of the
 37 Department, whereupon the member ~~members~~ shall choose his or her
 38 successor in the same manner as the original appointment. Each
 39 member-trustee of the Fund may succeed himself or herself as a
 40 trustee.

41 3. One member who is a retirant from the Fund, who shall
 42 be elected by a majority of the retirants of the Fund.
 43 Elections shall be held under such reasonable rules and
 44 regulations as the Board shall from time to time adopt. Each
 45 retirant-trustee shall serve as trustee for a period of 2 years,
 46 unless he or she sooner resigns, whereupon the retirants shall
 47 choose his or her successor in the same manner as the original
 48 appointment. Each retirant-trustee of the Fund may succeed
 49 himself or herself as a trustee.

50 4.3. A seventh ~~fifth~~ trustee, who shall be chosen by a
 51 majority of the other six ~~four~~ trustees. This seventh ~~fifth~~
 52 person's name shall be submitted to the City, which shall, as a
 53 ministerial duty, appoint such person to the Board as a seventh
 54 ~~fifth~~ trustee. The seventh ~~fifth~~ person shall serve as trustee
 55 for a period of 2 years, and may succeed himself or herself as a
 56 trustee.

57 Section 2. Subparagraph 3. of paragraph (c) of subsection
 58 (11) of section 16 of chapter 24981, Laws of Florida, 1947, as
 59 amended by chapter 2002-359, Laws of Florida, is amended to
 60 read:



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61 Section 16. West Palm Beach Police Pension Fund.--

62 (11) Chapter 185 share accounts.--

63 (c) Annual allocation of accounts.--

64 3. Effective October 1, 2002, vested Participants have the
 65 option to select between two methods to credit investment
 66 earnings to their account. The method may be changed each year
 67 effective October 1; however, the method must be elected prior
 68 to October 1. The methods are:

69 a. The investment earnings (or losses) credited to the
 70 individual member accounts shall be the same percentage as are
 71 earned (or lost) by the total investment earnings (or losses) of
 72 the Fund as a whole, unless the Board dedicates a separate
 73 investment portfolio for chapter 185, Florida Statutes, share
 74 accounts, in which case the investment earnings (or losses)
 75 shall be measured by the investment earnings (or losses) of the
 76 separate investment portfolio.

77 b. A fixed annual rate of 8.25 percent.

78 Section 3. Subparagraphs 4. and 5. of paragraph (a) of
 79 subsection (13) of section 16 of chapter 24981, Laws of Florida,
 80 1947, as amended by chapter 2002-359, Laws of Florida, are
 81 amended to read:

82 Section 16. West Palm Beach Police Pension Fund.--

83 (13) Deferred Retirement Option Plan (DROP).--

84 (a) Eligibility to participate in the DROP.--

85 4. Upon a member's election to participate in the DROP, he
 86 or she shall cease to be a member and shall no longer accrue any
 87 benefits under the Pension Fund, except for the benefits
 88 provided under subsection (11), Chapter 185 share accounts. For
 89 all Fund purposes, the member becomes a retirant, except that a
 90 DROP participant shall continue to receive shares of the chapter



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91 moneys in accordance with subsection (11), Chapter 185 share
 92 accounts. DROP members shall also be eligible to vote as
 93 members for purposes of election of the member-trustee. The
 94 amount of credited service shall freeze as of the date of entry
 95 into the DROP.

96 ~~5. Notwithstanding any provision of this section to the~~
 97 ~~contrary, the Police Chief in the Department may, at his or her~~
 98 ~~option, extend his or her participation in the DROP beyond 5~~
 99 ~~years or 30 years of total service. For purposes of this~~
 100 ~~subsection, "Police Chief" means a member who has been promoted~~
 101 ~~from police officer through the ranks of the Department to the~~
 102 ~~position of Police Chief. Any such Police Chief shall not~~
 103 ~~participate in the DROP beyond the attainment of 33 years of~~
 104 ~~service, and the total years of participation in the DROP shall~~
 105 ~~not exceed 8 years.~~

106 Section 4. Subparagraph 2. of paragraph (b) of subsection
 107 (13) of section 16 of chapter 24981, Laws of Florida, 1947, as
 108 amended by chapter 2002-359, Laws of Florida, is amended to
 109 read:

110 Section 16. West Palm Beach Police Pension Fund.--
 111 (13) Deferred Retirement Option Plan (DROP).--
 112 (b) Amounts payable upon election to participate in
 113 DROP.--

114 2. Effective October 1, 2002, DROP Participants have the
 115 option to select between two methods to credit investment
 116 earnings to their account. The method may be changed each year
 117 effective October 1; however, the method must be elected prior
 118 to October 1. The methods are:

119 a. ~~Payments to the DROP earn interest~~ Earnings using the
 120 rate of investment return earned (or lost) on Pension Fund



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121 assets as reported by the Fund's investment monitor. DROP
 122 assets are commingled with the Pension Fund assets for
 123 investment purposes.

124 b. A fixed rate of 8.25 percent.

125
 126 However, if a police officer does not terminate employment at
 127 the end of participation in the DROP, interest credits shall
 128 cease on the ~~current balance and on all future DROP deposits.~~

129 Section 5. Sub-subparagraph e. is added to subparagraph 4.
 130 of paragraph (b) of subsection (13) of section 16 of chapter
 131 24981, Laws of Florida, 1947, amended by chapter 2002-359, Laws
 132 of Florida, to read:

133 Section 16. West Palm Beach Police Pension Fund.--

134 (13) Deferred Retirement Option Plan (DROP).--

135 (b) Amounts payable upon election to participate in
 136 DROP.--

137 4. Upon termination of employment, participants in the
 138 DROP shall receive the balance of the DROP account in accordance
 139 with the following rules:

140 e. Costs, fees, and expenses of administration shall be
 141 debited from the individual member accounts on a proportionate
 142 basis, taking the cost, fees, and expenses of administration of
 143 the Fund as a whole, multiplied by a fraction, the numerator of
 144 which is the total assets in all individual member accounts and
 145 the denominator of which is the total assets of the Fund as a
 146 whole.

147 Section 6. All special laws and parts of special laws,
 148 ordinances, or regulations, insofar as they are in conflict or
 149 inconsistent with the provisions of this act, are repealed.

150 Section 7. This act shall take effect upon becoming a law.