

ORDINANCE NO. 17-2024

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COCOA, BREVARD COUNTY, FLORIDA, AMENDING CHAPTER 2, ADMINISTRATION, ARTICLE VIII, FIREFIGHTERS' RETIREMENT PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF COCOA BY AMENDING SECTION 2-326, COST OF LIVING INCREASE; AMENDING SECTION 2-331, DEFERRED RETIREMENT OPTION PLAN; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Cocoa established the Firefighters' Retirement Plan pursuant to Ordinance No. 9-93, in accordance with Chapter 175, Florida Statutes for the benefit of the City's firefighters.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF COCOA, BREVARD COUNTY, FLORIDA AS FOLLOWS:

SECTION 1: That Section 2-326, Cost of Living Increase; in Article VIII of Chapter 2, Part II of the City Code of the City of Cocoa, Florida, is amended to read as follows (Underlined type are additions and ~~strikeout~~ type are deletions to the City Code):

Sec. 2-326. – Cost of living increase.

* * *

As of each October first, retirees and disabled members who have attained their sixty-fifth (65th) birthday, and beneficiaries receiving monthly benefits on behalf of deceased members who would have attained their sixty-fifth (65th) birthday, shall have their benefits adjusted for changes in the cost-of-living as measured by the consumer price index for the one-year period ended on the preceding June thirtieth. The percentage increase ~~or decrease~~ in benefits shall be limited to three percent (3%) with regard to any such one-year period.Effective [effective date of ordinance], no adjustment may be made pursuant to this paragraph (c), which results in a reduction in any and at no time shall the resulting benefit amount be less than that amount which was payable initially at the time of retirement, or in the case of deceased members, at the time payments to the beneficiary began.

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SECTION 2: That Section 2-331, Deferred retirement option plan, subsection (a) Definitions, (e)(1) Participation in the DROP, in Article VIII of Chapter 2, Part II of the City Code of the City of Cocoa, Florida, is amended to read as follows (Underlined type are additions and ~~strikeout~~ type are deletions to the City Code):

* * *

Sec. 2-331- Deferred retirement option plan.

* * *

- (a) *Definitions.* For the purpose of this section, the following terms shall be defined as indicated below:

DROP means the deferred retirement option plan established pursuant to this section.

DROP account means the account established for each DROP participant, which shall be part of the fund, and which shall consist of the amount credited to an individual DROP participant in accordance with this section.

DROP entry date means the date an eligible member begins to participate in the DROP.

DROP participant means an eligible member who is participating in the DROP.

DROP period means the duration of a member's participation in the DROP, from the DROP entry date to the date a participant ceases to participate in the DROP and separates from city employment. The maximum DROP period may not be longer than ninety-six ~~sixty~~ (96~~60~~) months.

- (b) *Eligibility.* A member who reaches the earliest normal retirement date under the plan shall be eligible to participate in the DROP.

- (c) *Written election.* To participate in the DROP, a member must complete and execute the forms supplied by the city, together with a letter of resignation from city employment effective upon the last day of the member's participation in the DROP. A member's written election to participate in the DROP and letter of resignation shall be irrevocable.

- (d) *Accrued leave payment.* Upon electing to participate in the DROP, an eligible member may elect to receive payment for accrued unused sick and annual leave in accordance with city policy, as follows:

- (1) In a lump sum prior to the DROP entry date; or
- (2) In a lump sum upon termination of employment.

- (e) *Participation in the DROP.*

- (1) Prior to [effective date of ordinance], An eligible member may participate in the DROP for a maximum of sixty (60) months. An eligible member must elect to participate in the DROP and may begin participating in the DROP after reaching the earliest normal

retirement date. Notwithstanding anything herein to the contrary, a member who elects to participate in the DROP on or after [effective date of ordinance] may participate in the DROP for a period not to exceed ninety-six (96) months beginning at the time his or her election to participate in the DROP first becomes effective. Members who are participating in the DROP on [effective date], may elect in writing on forms provided by the Administrator, to extend their DROP participation period by up to thirty-six (36) months, for a total maximum DROP period not to exceed ninety-six (96) months.

- (2) A member who elects to participate in the DROP can elect to terminate DROP participation and city employment sooner than the maximum DROP period, with thirty (30) days advance written notice to the city and the board of trustees.
- (3) An eligible member who elects to participate in the DROP will be considered to have retired for purposes of the retirement plan. The member's monthly retirement benefit, determined in accordance with the plan based on years of credited service and average final compensation at the time the member enters the DROP, will be paid into his or her DROP account every month during the DROP period. No member or city contributions shall be required after a member enters the DROP, and the member will not accrue any additional credited service or any additional benefits, other than cost-of-living increases if applicable, under the retirement plan after entering the DROP.
- (4) A member who elects to participate in the DROP shall not be eligible for disability or preretirement death benefits under the retirement plan.
- (5) Participation in the DROP is not a guarantee of employment, and DROP participants will be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- (6) During a member's participation in the DROP, the member's monthly retirement benefit will be paid into the DROP account. The member's DROP account will be credited (or debited) with the actual net investment rate of return on the actuarial value of plan assets, on an annual basis, as determined by the board. The board shall review the stated rate of return on an annual basis, and reserves the right to adjust the amount to be credited or debited to a participant's account.
- (7) The fund shall be responsible for any and all expenses related to administering the DROP.
- (8) As a condition of participating in the DROP, each participant must agree that his or her city employment shall terminate on the last day of the DROP period, determined in accordance with this section.

- (f) *Payout of DROP account.* Within thirty (30) days after the end of the calendar quarter following the end of a participant's DROP period, the participant's DROP account shall be payable, at the participant's option, in full in a single lump sum payment, less withholding taxes; or as a direct rollover, paid directly to the custodian of an eligible retirement plan; or as a partial lump sum paid to the participant or to the designated beneficiary, with the remaining accrued benefit transferred directly to the custodian of an eligible retirement plan. The DROP participant or designated beneficiary shall specify in writing the payee(s) and amounts to be paid to each. If a DROP participant dies before his or her DROP account is distributed, the participant's designated beneficiary shall have the same rights as the participant with respect to the distribution of the DROP account. If the member has not designated a beneficiary, the DROP account balance shall be paid to the member's estate. Regardless of the payment option selected by the participant or beneficiary, the board of trustees may take whatever action is necessary to comply with the Internal Revenue Code.
- (g) *Rules and procedures.* The board of trustees may adopt rules and procedures for participation and administration of the DROP that are not in conflict with this section. The DROP is intended to comply with all the applicable provisions of the Internal Revenue Code and F.S. ch. 175.

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SECTION 3: Incorporation into the Code. Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Cocoa.

SECTION 4: Severability. Should any section or provision of this Ordinance or any portion thereof, or any paragraph, sentence, or word be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder hereto as a whole or part thereof other than the part to be declared invalid.

SECTION 5: Repeal of Prior Inconsistent Ordinances and Resolutions. All City Code provisions or laws inconsistent with this Ordinance are hereby repealed to the extent of any conflict.

SECTION 6: Effective Date. That this Ordinance shall become effective upon its adoption.

**ADOPTED BY THE CITY COUNCIL OF THE CITY OF COCOA, FLORIDA, IN
A REGULAR MEETING ASSEMBLED ON THE ____ DAY OF ____ 2024.**

Michael C. Blake, Mayor

ATTEST:

Monica Arsenault, CMC, City Clerk

1ST READING: _____

2ND READING: _____

LEGAL AD PUBLISHED: _____

EFFECTIVE DATE: _____