

ORDINANCE 25-03

AN ORDINANCE OF THE CITY OF MARCO ISLAND, COLLIER COUNTY, FLORIDA, AMENDING CHAPTER 22 “FIRE PREVENTION AND PROTECTION,” ARTICLE III “FIREFIGHTERS’ PENSION PLAN,” IN ACCORDANCE WITH THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY AND THE INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS LOCAL NO. 2887 FOR THE PERIOD OCTOBER 1, 2021 THROUGH SEPTEMBER 30, 2025; BY AMENDING SECTION 22-57 “BENEFIT AMOUNTS AND ELIGIBILITY,” SECTION 22-73 “RETIREE HEALTH INSURANCE SUBSIDY,” AND SECTION 22-74 “DEFERRED RETIREMENT OPTION PROGRAM (DROP)”; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Marco Island (the “City”) maintains a defined benefit pension plan for its firefighters, which is known as the City of Marco Island Firefighters' Pension Plan (the “Plan”), and which is codified in Chapter 22 of the City Code; and

WHEREAS, the City and the International Association of Fire Fighters Local No. 2887 (the “Union”) ratified a collective bargaining agreement (“CBA”) wherein the parties agreed that the City would adopt an ordinance amending the Plan to provide for the codification of the changes to the Plan set forth in the CBA; and

WHEREAS, the Plan should be amended to conform with the collectively bargained changes to the Plan as set forth in the CBA; and

WHEREAS, the City Council finds that it is in the best interest of the City and its employees to amend the Plan; and

WHEREAS, prior to Second Reading of this Ordinance, the City Council has received, reviewed, and considered an actuarial impact statement describing the actual impact of the amendments provided for herein.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF MARCO ISLAND, FLORIDA THAT:

SECTION 1. Recitals. Each and all the foregoing recitals be and the same are hereby incorporated into this Ordinance as if specifically set forth herein.

SECTION 2. Amendment and Adoption. That Section 22-57 “Benefit amounts and eligibility” of Article III “Firefighters’ Pension Plan” of Chapter 22 “Fire Prevention and Protection” of the City Code is hereby amended to read as follows:¹

Sec. 22-57. Benefit amounts and eligibility.

- (a) Normal retirement date. A member's normal retirement date hired by the city prior to July 1, 2022, shall be the first day of the month coincident with or next following the attainment of age 55 and the completion of ten years of credited service, the vesting period for members in this plan for normal retirement date shall be reduced from ten years to six years effective July 1, 2001, provided that the member is "employed in a regularly established position" on that date. If not so employed on that date a member must be "employed in a covered position for at least one work year after July 1, 2001", or upon attaining 25 years of credited service regardless of age. A member's normal retirement date hired by the city on or after July 1, 2022 shall be the first day of the month coincident with or next following the attainment of age 55 and the completion of eight ~~ten~~ years of credited service, or upon attaining 25 years of credited service regardless of age. The vesting period shall be eight ~~ten~~ years. A member may retire on his normal retirement date or on the first day of any month thereafter, and each member shall become 100 percent vested in his accrued benefit on the member's normal retirement date. Normal retirement under the pension plan is retirement from employment with the city on or after the normal retirement date.

* * *

SECTION 3. Amendment and Adoption. That Section 22-73 “Retiree health insurance subsidy” of Article III “Firefighters’ Pension Plan” of Chapter 22 “Fire Prevention and Protection” of the City Code is hereby amended to read as follows:

Sec. 22-73. Retiree health insurance subsidy.

Prior to October 1, 2024, each ~~Each~~ eligible retiree or beneficiary who is a spouse or financial dependent shall receive a monthly retiree health insurance subsidy payment equal to the number of years of credited service completed at the time of the member's retirement multiplied by \$3.00; however, no retiree or beneficiary may receive a subsidy payment of more than \$90.00 or less than \$30.00. Effective October 1, 2024, each eligible retiree or beneficiary who is a spouse or financial dependent shall receive a monthly retiree health insurance subsidy payment equal to the number of years of credited service completed at the time of the member's retirement multiplied by \$7.50; however, no retiree or beneficiary may receive a subsidy payment of more than \$225.00.

¹ Additions to the text are shown in underline. Deletions to the text are shown in ~~strikethrough~~. Additions added between first and second reading are shown in double underline.

SECTION 4. Amendment and Adoption. That Section 22-74 “Deferred retirement option plan (DROP)” of Article III “Firefighters’ Pension Plan” of Chapter 22 “Fire Prevention and Protection” of the City Code is hereby amended to read as follows:

Sec. 22-74. Deferred retirement option plan (DROP).

A deferred retirement option plan ("DROP") shall be created for all 175-member participation as soon as practicable after June 6, 2022. Eligibility to participate in the DROP is based upon eligibility for normal service retirement and subject to the below.

- (1) The maximum period of DROP participation is five years for those members who enter DROP prior to October 1, 2024. For members who enter the DROP on or after October 1, 2024, the maximum DROP participation period is eight years. Members entering the DROP on or after October 1, 2024 must submit an irrevocable letter of termination or resignation, effective not later than 96 60 months after the commencement of DROP participation. Upon entry into the DROP, the member's average final compensation and accrued benefits shall be calculated. No change in the plan benefits made subsequent to entry into the DROP shall apply to the member unless otherwise applicable to retired pension members.
- (2) Payment shall be made into the member's DROP account in an amount determined by the member's selection of the payment option as if the member had terminated employment in the city.
- (3) The interest in a member's account in the DROP program shall accrue at an effective annual rate of ~~4.3~~ four (4) percent, compounded monthly, on the prior month's accumulated ending balance, up to the month of termination or death.
- (4) All interest will be credited to the members' DROP account at the end of the DROP period.
- (5) A member must terminate service with the city at the conclusion of years in the maximum DROP participation period. Upon termination of service with the city, a member may receive payment or defer payment until a time not later than the latest date authorized by Section 401(a)(9) of the Internal Revenue Code at the option of the employee.
- (6) No payment may be made from the DROP until the member actually separates from service with the city.

- (7) If a member dies during participation in the DROP, the member will be treated as any other retired pension member and shall not be entitled to pre-retirement death benefits.

SECTION 5. Severability/Interpretation.

(a) If any term, section, clause, sentence or phrase of this Ordinance is for any reason held to be invalid, illegal, or unconstitutional by a court of competent jurisdiction, the holding shall not affect the validity of the other or remaining terms, sections, clauses, sentences, or phrases portions of this Ordinance, and this Ordinance shall be read and/or applied as if the invalid, illegal, or unenforceable term, provision, clause, sentence, or section did not exist.

(b) In interpreting this Ordinance, underlined words indicate additions to existing text, and ~~stricken through~~ words include deletions from existing text. Asterisks (* * *) indicate a deletion from the Ordinance of text, which continues to exist in the Code of Ordinances. It is intended that the text in the Code of Ordinances denoted by the asterisks and not set forth in this Ordinance shall remain unchanged from the language existing prior to adoption of this Ordinance.

SECTION 6. Effective Date. This Ordinance shall be effective immediately upon adoption by the City Council on second reading.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF MARCO ISLAND this 21st day of April, 2025.

ATTEST:

CITY OF MARCO ISLAND, FLORIDA

Joan Taylor, City Clerk

By: _____
Erik Brechnitz, Chairman

Approved as to form and legal sufficiency:

Alan L. Gabriel, City Attorney