

TAB 4

9/30/08

Mrs. Sharon Jones,

I would like to petition the Police Pension Board for the five (5) years that I was under the impression I had received documentation when I signed up to remain in the DROP program until Oct 2013.

I would like to be on the Agenda @ the next pension Board Mtg.

Chief Garry Lowe

eff 9/3/06 - 25 years

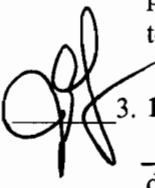
CITY OF PALMETTO POLICE OFFICERS' RETIREMENT SYSTEM
Notification of Benefits Payable as a Result of Participation
in the Deferred Retirement Option Plan (DROP)

Participant's Name: James Garry Lowe

You are eligible for a(n) Normal Retirement from the Plan. Your benefit is payable at the beginning of each month commencing on October 1, 2008. DROP payments will end on the date you choose, but not later than September 1, 2011. The amount of your monthly benefit depends on the optional form of annuity which you choose. Please check and initial the one optional annuity form listed below that you elect to receive:

 1. **MODIFIED CASH REFUND ANNUITY:** This option provides payments of \$5,668.54 to you as long as you live. If you should die before you have received an amount equal to your own contributions to the Plan, payments will continue to your beneficiary until your own contributions with interest have been used up.

 2. **TEN YEAR CERTAIN AND LIFE THEREAFTER ANNUITY:** This option provides monthly payments of \$5,615.75 to you as long as you live. If you should die before 120 monthly payments have been made, the same amount will continue to be paid to your beneficiary until a total of 120 monthly payments have been made in all.

 3. **100% JOINT AND LAST SURVIVOR ANNUITY:** This option provides monthly payments of \$5,340.33 to you as long as you live. Your designated beneficiary, if living at the time of your death, will then receive monthly payments of \$5,340.33 as long as he/she lives.

 4. **75% JOINT AND LAST SURVIVOR ANNUITY:** This option provides monthly payments of \$5,418.56 to you as long as you live. Your designated beneficiary, if living at the time of your death, will then receive monthly payments of \$4,063.92 as long as he/she lives.

 5. **66 2/3% JOINT AND LAST SURVIVOR ANNUITY:** This option provides monthly payments of \$5,445.20 to you as long as you live. Your designated beneficiary, if living at the time of your death, will then receive monthly payments of \$3,630.13 as long as he/she lives.

 6. **50% JOINT AND LAST SURVIVOR ANNUITY:** This option provides monthly payments of \$5,499.62 to you as long as you live. Your designated beneficiary, if living at the time of your death, will then receive monthly payments of \$2,749.81 as long as he/she lives.

The amounts above are based on the following information:

Your Date of Birth:	January 17, 1962	Date of Employment:	September 3, 1981
Date of Termination:	October 1, 2008	Years of Credited Service:	27.0833
Average Monthly Earnings:	\$6,911.70		
Beneficiary Name:	Paula S. Lowe	Date of Birth:	November 21, 1955

After-Tax Contributions:	\$6,381.13		
Pre-Tax Contributions:	\$39,982.33		
Interest on Contributions:	---		
Accumulated Employee Contributions:	\$46,363.46		
Nontaxable Portion of Monthly Benefit for Options 1 or 2:	---	Number of Months Nontaxable Portion Continues:	---
Nontaxable Portion of Monthly Benefit for Options 3, 4, 5 or 6:	---	Number of Months Nontaxable Portion Continues:	---

The Survivor Annuity benefit amounts shown above are based on the beneficiary named above and are payable only to this beneficiary. Should you wish to change your beneficiary before your payments begin, new amounts will have to be calculated.

This calculation is subject to correction. If you are or become aware of errors in the data that was used, the calculations that were made, or the plan provisions that were applied, it is your responsibility to contact the plan administrator. The plan has the right to recover from you amounts that were paid to you in error.

BOARD OF TRUSTEES: By _____

DATE: _____

I accept the terms above, including my choice of annuity form, and confirm the information shown above to be correct.

PARTICIPANT'S SIGNATURE:  _____

DATE: 9/22/08

Calculation Date: September 17, 2008

CITY OF PALMETTO
POLICE OFFICERS' RETIREMENT PLAN

DEFERRED RETIREMENT OPTION PLAN (DROP)
APPLICATION / AGREEMENT

DATE: 8/25, 2008

TO: Board of Trustees

In accordance with the provisions of the ordinance governing the operation of the City of Palmetto Police Officers' Retirement Plan, the undersigned hereby makes voluntary application for participation in the Deferred Retirement Option Plan (DROP).

James Gary Lowe
Name

JANUARY 17, 1962
Date of Birth

In exchange for my membership in the DROP, I acknowledge and agree to the following:

- That in order to become a member of the DROP, I must have retired under normal service retirement, and elect to defer receipt of my retirement benefit, into my DROP Account. For the purposes of calculating my monthly retirement benefit, the effective date of my participation shall be concurrent with my effective retirement date of 10/1/2008, furthermore, such election to become a member of the DROP shall be effective on the first day of the first calendar month which is at least fifteen (15) business days after the election is received by the Board or the Board's designee.
- I agree that my participation in the DROP will begin on my retirement date and will not extend beyond 10/1/2013 which date is no later than 60 months from the date I first became eligible for normal retirement. I hereby irrevocably elect to resign from employment as a Police Officer effective as of the previous date if I have not resigned prior thereto.
- That at no time during my participation in the DROP will I have access to, nor be able to borrow against my monthly "DROP" retirement benefit, nor any of the funds accumulated in my DROP Account.
- That funds accumulated in my DROP Account shall be debited or credited after each fiscal quarter and shall: (initial one)

_____ be invested in the same manner and along with all of the assets of the system and earn a "net investment return". "Net investment returns" shall be credited or debited to the average daily balance of my DROP Account after each fiscal year quarter. "Net investment return" means the total return of the assets in which my account is invested less brokerage commissions, management fees and transaction costs. I hereby acknowledge that there may be losses accrued due to the investment experience. I understand that such losses will be charged against my DROP Account. I agree that any of the foregoing losses incurred are not the responsibility of the City of Palmetto Police Officers' Retirement Plan. I understand that depending upon the investment experience of the system, my DROP Account can experience either gains or losses.

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OR

earn interest at an effective rate of 6.5% per annum compounded monthly on the prior month's ending balance.

- That I may change the election in the previous section only once during my DROP participation.
- That after my election to participate in the DROP I will not accrue any additional pension credited service or benefits in the City of Palmetto Police Officers' Retirement Plan, even if I subsequently terminate my participation in the DROP, unless the current plan specifically provides to the contrary.
- That upon my termination from the DROP, I will make a written request for distribution and a written selection on a form provided by the Board regarding the distribution of the balance in my DROP Account, by selecting one of the following options:
 - a full and single lump sum distribution
 - purchase of an annuity
 - rollover all or a portion of the account balance to another qualified retirement plan (as permitted by law), such as an IRA, with any amount not rolled over paid directly to me.
- That payments from my DROP Account may be subject to penalties, income tax withholding, or other withholding or liabilities required by law. No distribution or rollover will be made until I complete the forms required by the Board and my account will not be credited with earnings, interest or debited with losses after the end of the quarter immediately preceding my termination of DROP participation and prior to distribution or rollover.
- That, if I should die before my DROP Account balance is distributed, my DROP Account balance shall be paid in accordance with DROP Attachment A. I acknowledge that my selection on DROP Attachment A applies only to the balance of my DROP Account and at no time should it be construed to give the recipient any rights towards any payment of my monthly pension benefit.
- That the Board of Trustees in its discretion can amend the rules governing the DROP at any time and from time to time. Such amendments shall be in accordance with and consistent with the provisions covering the deferred retirement option plan set forth in the City's ordinances, amended from time to time, and shall, to the extent permitted by law, be binding upon all current DROP participants, all former DROP participants who have balances in their account and all future DROP participants.
- That I have read and understand the provisions of the City of Palmetto Police Officers' Retirement Plan (the System), which establishes the Deferred Retirement Option Plan (DROP).
- That I understand that I am subject to the rules of DROP participation set forth in the ordinance, and the DROP policies and procedures adopted by the Board.
- That I understand that the Board may from time to time amend the policies and procedures governing my participation in the DROP.

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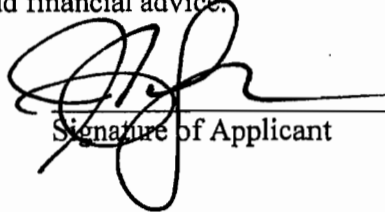
- That I have had the opportunity to meet with the System's administrative staff and ask questions regarding the operation of the DROP and its effect on my benefits from the System, including but not limited to the effect that my DROP election will have on the calculation of my service pension, the form of benefit distributions, survivor benefits available to my eligible survivors, and ineligibility for disability and pre-retirement death benefits.
- That I have been advised by the System's administrative staff that I should consider seeking advice from a professional tax advisor, and understand that the System's administrative staff, although providing some general information, cannot and has not rendered legal or financial advice to me on the effect the DROP will or may have on the taxation of any benefit I may receive under the System or any potential benefit that may be received by my survivors as a survivor benefit.
- That in electing to participate in the DROP, I have received and considered information provided by the System's administrative staff. My decision to voluntarily elect to participate in the DROP is based on my understanding of the DROP program as provided for in the ordinance, and the DROP policies and procedures as adopted by the Board.
- That I meet the eligibility requirements of the DROP as set forth in the ordinance or will meet such requirements as of the intended effective date of my participation in the DROP.
- That I understand that upon the effective date of my participation in the DROP, I will begin to accrue DROP benefits, as provided for in the ordinance.
- That I understand that while my DROP benefits will be accounted for separately by the Fund, my DROP Account will not be physically separated from other System assets, until payment.
- That I understand that I can participate in the DROP for no more than a maximum of 60 months from the date on which I first became eligible for normal retirement. After participating in the DROP for this period of time and until I terminate active service with the Police Department:
 - My DROP Account will not be credited with amounts equal to my monthly benefit, and I will not be entitled to receive, at any time, monthly benefits attributed to this period of time.
 - My DROP Account will not be credited with any earnings, debited with losses or credited with interest.
- That I understand that following this permissible period of DROP participation, I will not resume earning credited service or adjustments in my compensation for retirement pension calculation purposes, unless the current plan specifically provides to the contrary.
- That I understand that as a result of my election to participate in the DROP, the following will apply from my DROP effective date forward:
 - I will forego any otherwise applicable additional improvements in my retirement pension, including, but not limited to, improvements in the benefit formula, credit for any increase in pay or years of service with the Police Department that has not been credited by the System as of the effective date of my DROP participation.

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- As of the effective date of my participation in the DROP, I will also be ineligible to receive disability and pre-retirement death benefits under the terms of the ordinance.
- My employment rights will not be affected including any rights included in any collective bargaining agreement which is applicable to me and that participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.

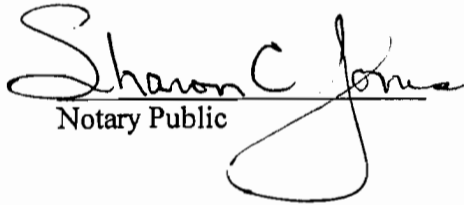
I acknowledge receipt of this four (4) page Application/Agreement. By signing this form, I accept the responsibility to review and understand all the provisions of the Application/Agreement and the City of Palmetto Police Officers' Retirement Plan. I also acknowledge that the Board of Trustees of the City of Palmetto Police Officers' Retirement Plan does not act as my legal or financial advisor in this DROP Application/Agreement and that all decisions are my responsibility and that I have been advised to seek independent legal and financial advice.


Signature of Applicant

STATE OF FLORIDA
COUNTY OF Manatee

The foregoing instrument was acknowledged before me this 25th day of August, 2008, by James Gary Rome, who is personally known to me or who produced a _____ as identification and who did not take an oath.

NOTARY PUBLIC-STATE OF FLORIDA
 Sharon C. Jones
Commission # DD438183
Expires: JUNE 07, 2009
Bonded Thru Atlantic Bonding Co., Inc.


Notary Public

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board at all times maintains continuous supervision over the acts of any such agent; provided further, that legal title to said fund shall always remain in the board.

(Ord. No. 679, § 1, 6-29-00; Ord. No. 06-901, § 1, 10-2-06)

Sec. 22-175. Contributions.

(a) *Member contributions.*

(1) *Amount.* Each member of the system shall be required to make regular contributions to the fund in the amount of five (5) percent of his salary. Member contributions withheld by the city on behalf of the member shall be deposited with the board immediately after each pay period. The contributions made by each member to the fund shall be designated as employer contributions pursuant to section 414(h) of the code. Such designation is contingent upon the contributions being excluded from the members' gross income for federal income tax purposes. For all other purposes of the system, such contributions shall be considered to be member contributions.

(2) *Method.* Such contributions shall be made by payroll deduction.

(b) *State contributions.* Any monies received or receivable by reason of laws of the state, for the express purpose of funding and paying for retirement benefits for police officers of the city shall be deposited in the fund comprising part of this system immediately and under no circumstances more than five (5) days after receipt by the city.

(c) *City contributions.* So long as this system is in effect, the city shall make quarterly contributions to the fund in an amount equal to the difference in each year, between the total aggregate member contributions for the year, plus state contributions for such year, and the total cost for the year, as shown by the most recent actuarial valuation of the system. The total cost for any year shall be defined as the total normal cost plus the additional amount sufficient to amortize the unfunded past service liability as provided in F.S. ch. 112, pt. VII.

(d) *Other.* Private donations, gifts and contributions may be deposited to the fund, but such deposits must be accounted for separately and kept on a segregated bookkeeping basis, funds arising from these sources may be used only for additional benefits for members, as determined by the board, and may not be used to reduce what would have otherwise been required city contributions.

(Ord. No. 679, § 1, 6-29-00; Ord. No. 06-901, § 1, 10-2-06)

Sec. 22-176. Benefit amounts and eligibility.

(a) *Normal retirement date.* A member's normal retirement date shall be the first day of the month coincident with, or next following the earlier of the attainment of age fifty-five (55) and the completion of ten (10) years of credited service or upon the completion of twenty-three (23) years of credited service, regardless of age. A member may retire on his normal retirement date or on the first day of any month thereafter, and each member shall become one hundred (100)

percent vested in his accrued benefit on the member's normal retirement date. Normal retirement under the system is retirement from employment with the city on or after the normal retirement date.

(b) *Normal retirement benefit.* A member retiring hereunder on or after his normal retirement date shall receive a monthly benefit which shall commence on the first day of the month coincident with or next following his retirement and be continued thereafter during member's lifetime, ceasing upon death, but with one hundred twenty (120) monthly payments guaranteed in any event. The monthly retirement benefit shall equal three (3) percent of average final compensation for each year of credited service, with a maximum of seventy-five (75) percent of average final compensation for members hired after June 7, 1982. Notwithstanding the foregoing, for members who have accumulated more than thirty-seven and one-half (37½) years of credited service, in no event shall such retirement benefit equal an amount less than two (2) percent for each year of the member's credited service multiplied by his average final compensation.

(c) *Early retirement date.* A member may retire on his early retirement date which shall be the first day of any month coincident with or next following the attainment of age fifty (50) and the completion of ten (10) years of credited service. Early retirement under the system is retirement from employment with the city on or after the early retirement date and prior to the normal retirement date.

(d) *Early retirement benefit.* A member retiring hereunder on his early retirement date may receive either a deferred or an immediate monthly retirement benefit payable in the same form as for normal retirement as follows:

- (1) A deferred monthly retirement benefit which shall commence on what would have been his normal retirement date, determined based upon his actual years of credited service, and shall be continued on the first day of each month thereafter. The amount of each such deferred monthly retirement benefit shall be determined in the same manner as for retirement on his normal retirement date except that credited service and average final compensation shall be determined as of his early retirement date; or
- (2) An immediate monthly retirement benefit which shall commence on his early retirement date and shall be continued on the first day of each month thereafter. The benefit payable shall be as determined in paragraph (1) above, reduced by three (3) percent for each year by which the commencement of benefits precedes the date which would have been the member's normal retirement date, determined based upon his actual years of credited service

(e) *Cost of living adjustment.* Effective retroactively to October 1, 2005, all retirees, including disability and DROP participants and their joint annuitants or beneficiaries who have been receiving monthly benefit payments for one (1) full year as of October 1, 2005, shall receive a one-time cost-of-living increase equal to two (2) percent for each full year of retirement as of October 1, 2005, up to a maximum of ten (10) percent. This increase shall not apply to terminated vested persons who are currently receiving benefits.

(Ord. No. 679, § 1, 6-29-00; Ord. No. 06-901, § 1, 10-2-06)

Sec. 22-198. Deferred retirement option plan.

- (a) *Definitions.* As used in this section 22-198, the following definitions apply:
- (1) *DROP.* The City of Palmetto police officers' deferred retirement option plan.
 - (2) *DROP account.* The account established for each DROP participant under subsection (c).
- (b) *Participation.*
- (1) *Eligibility to participate.* In lieu of terminating his employment as a police officer, any member who is eligible for normal retirement under the system may elect to defer receipt of such service retirement pension and to participate in the DROP. A DROP participant shall be permitted to serve as an elected or appointed member of the board.
 - (2) *Election to participate.* A member's election to participate in the DROP must be made in writing in a time and manner determined by the board and shall be effective on the first day of the first calendar month which is at least fifteen (15) business days after it is received by the board.
 - (3) *Period of participation.* A member who elects to participate in the DROP under subsection (b)(2), shall participate in the DROP for a period not to exceed sixty (60) months beginning at the time his election to participate in the DROP first becomes effective. In no event, however, may a member participate in the DROP beyond the date which is five (5) years from the date on which the member first becomes eligible for normal retirement. An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the city not later than the date provided for in the previous sentence. A member may participate only once.
 - (4) *Termination of participation.*
 - a. A member's participation in the DROP shall cease at the earlier of:
 1. The end of his permissible period of participation in the DROP as determined under subsection (b)(3); or
 2. Termination of his employment as a police officer.
 - b. Upon the member's termination of participation in the DROP, pursuant to subsection 1 above, all amounts provided for in subsection (c)(2), including monthly benefits and investment earnings and losses or interest, shall cease to be transferred from the system to his DROP account. Any amounts remaining in his DROP account shall be paid to him in accordance with the provisions of subsection (d) when he terminates his employment as a police officer.
 - c. A member who terminates his participation in the DROP under this subsection (b)(4) shall not be permitted to again become a participant in the DROP.
 - (5) *Effect of DROP participation on the system.*
 - a. A member's credited service and his accrued benefit under the system shall be determined on the date his election to participate in the DROP first becomes



effective. For purposes of determining the accrued benefit, the member's salary for the purposes of calculating his average final compensation shall include an amount equal to any lump sum payments which would have been paid to the member and included as salary as defined herein, had the member retired under normal retirement and not elected DROP participation. Member contributions attributable to any lump sums used in the benefit calculation and not actually received by the member shall be deducted from the first payments to the member's DROP account. The member shall not accrue any additional credited service or any additional benefits under the system (except for any additional benefits provided under any cost-of-living adjustment for retirees in the system) while he is a participant in the DROP. After a member commences participation, he shall not be permitted to again contribute to the system nor shall he be eligible for disability or preretirement death benefits, except as provided for in section 22-196, reemployment after retirement.

- b. No amounts shall be paid to a member from the system while the member is a participant in the DROP. Unless otherwise specified in the system, if a member's participation in the DROP is terminated other than by terminating his employment as a police officer, no amounts shall be paid to him from the system until he terminates his employment as a police officer. Unless otherwise specified in the system, amounts transferred from the system to the member's DROP account shall be paid directly to the member only on the termination of his employment as a police officer.

(c) *Funding.*

- (1) *Establishment of DROP account.* A DROP account shall be established for each member participating in the DROP. A member's DROP account shall consist of amounts transferred to the DROP under subsection (c)(2), and earnings or interest on those amounts.
- (2) *Transfers from retirement system.*
 - a. As of the first day of each month of a member's period of participation in the DROP, the monthly retirement benefit he would have received under the system had he terminated his employment as a police officer and elected to receive monthly benefit payments thereunder shall be transferred to his DROP account, except as otherwise provided for in subsection (b)(4)b. A member's period of participation in the DROP shall be determined in accordance with the provisions of subsections (b)(3) and (b)(4), but in no event shall it continue past the date he terminates his employment as a police officer.
 - b. Except as otherwise provided in subsection (b)(4)b., a member's DROP account under this subsection (c)(2) shall be debited or credited after each fiscal year quarter with either:
 1. Interest at an effective rate of six and one-half (6½) percent per annum compounded monthly on the prior month's ending balance; or

2. Earnings, determined as follows:

The average daily balance in a member's DROP account shall be credited or debited at a rate equal to the net investment return realized by the system for that quarter. "Net investment return" for the purpose of this paragraph is the total return of the assets in which the member's DROP account is invested by the board net of brokerage commissions, transaction costs and management fees.

- c. Upon electing participation in the DROP, the member shall elect to receive either earnings or interest on his account to be determined as provided above. The member may, in writing, elect to change his election only once during his DROP participation. An election to change must be made prior to the end of a quarter and shall be effective beginning the following quarter.
- d. A member's DROP account shall only be credited or debited with earnings or interest and monthly benefits while the member is a participant in the DROP. A member's final DROP account value for distribution to the member upon termination of participation in the DROP shall be the value of the account at the end of the quarter immediately preceding termination of participation plus interest or earnings earned as of that date plus any monthly periodic additions made to the DROP account subsequent to the end of the previous quarter and prior to distribution. If a member fails to terminate employment after participating in the DROP for the permissible period of DROP participation, then beginning with the member's first month of employment following the last month of the permissible period of DROP participation, the member's DROP account will no longer be credited or debited with earnings or interest, nor will monthly benefits be transferred to the DROP account. All such nontransferred amounts shall be forfeited and continue to be forfeited while the member is employed by the police department. A member employed by the police department after the permissible period of DROP participation will be eligible for pre-retirement death and disability benefits, and will accrue additional credited service only as provided for in section 22-196.

(d) *Distribution of DROP accounts on termination of employment.*

- (1) *Eligibility for benefits.* A member shall receive the balance in his DROP account in accordance with the provisions of this subsection (d) upon his termination of employment as a police officer. Except as provided in subsection (d)(5), no amounts shall be paid to a member from the DROP prior to his termination of employment as a police officer.
- (2) *Form of distribution.*
 - a. Unless the member elects otherwise, distribution of his DROP account shall be made in a lump sum, subject to the direct rollover provisions set forth in subsection (d)(6). A member may elect, however, in such time and manner as the board shall prescribe, that his DROP distribution be used to purchase a

nonforfeitable fixed annuity payable in such form as the member may elect. Elections under this paragraph shall be in writing and shall be made in such time or manner as the board shall determine.

- b. If a member dies before his benefit is paid, his DROP account shall be paid to his beneficiary in such optional form as his beneficiary may select. If no beneficiary designation is made, the DROP account shall be distributed to the member's estate.
- (3) *Date of payment of distribution.* Except as otherwise provided in this subsection (d), distribution of a member's DROP account shall be made as soon as administratively practicable following the member's termination of employment. Distribution of the amount in a member's DROP account will not be made unless the member completes a written request for distribution and a written election, on forms designated by the board, to either receive a cash lump sum or a rollover of the lump sum amount.
 - (4) *Proof of death and right of beneficiary or other person.* The board may require and rely upon such proof of death and such evidence of the right of any beneficiary or other person to receive the value of a deceased member's DROP account as the board may deem proper and its determination of the right of that beneficiary or other person to receive payment shall be conclusive.
 - (5) *Distribution limitation.* Notwithstanding any other provision of this subsection (d), all distributions from the DROP shall conform to the "minimum distribution of benefits" provisions as provided for herein.
 - (6) *Direct rollover of certain distributions.* This subsection applies to distributions made on or after January 1, 2002. Notwithstanding any provision of the DROP to the contrary, a distributee may elect to have any portion of an eligible rollover distribution paid in a direct rollover as otherwise provided under the system in section 22-194.
- (e) *Administration of DROP.*
- (1) *Board administers the DROP.* The general administration of the DROP, the responsibility for carrying out the provisions of the DROP and the responsibility of overseeing the investment of the DROP's assets shall be placed in the board. The members of the board may appoint from their number such subcommittees with such powers as they shall determine; may adopt such administrative procedures and regulations as they deem desirable for the conduct of their affairs; may authorize one (1) or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents and provide for such clerical, accounting, actuarial and consulting services as they may require in carrying out the provisions of the DROP; and may allocate among themselves or delegate to other persons all or such portion of their duties under the DROP, other than those granted to them as trustee under any trust agreement adopted for use in implementing the DROP, as they, in their sole discretion, shall decide. A trustee shall not vote on any question relating exclusively to himself.

- (2) *Individual accounts, records and reports.* The board shall maintain records showing the operation and condition of the DROP, including records showing the individual balances in each member's DROP account, and the board shall keep in convenient form such data as may be necessary for the valuation of the assets and liabilities of the DROP. The board shall prepare and distribute to members participating in the DROP and other individuals or file with the appropriate governmental agencies, as the case may be, all necessary descriptions, reports, information returns, and data required to be distributed or filed for the DROP pursuant to the code and any other applicable laws.
- (3) *Establishment of rules.* Subject to the limitations of the DROP, the board from time to time shall establish rules for the administration of the DROP and the transaction of its business. The board shall have discretionary authority to construe and interpret the DROP (including but not limited to determination of an individual's eligibility for DROP participation, the right and amount of any benefit payable under the DROP and the date on which any individual ceases to be a participant in the DROP). The determination of the board as to the interpretation of the DROP or its determination of any disputed questions shall be conclusive and final to the extent permitted by applicable law.
- (4) *Limitation of liability.*
- a. The trustees shall not incur any liability individually or on behalf of any other individuals for any act or failure to act, made in good faith in relation to the DROP or the funds of the DROP.
 - b. Neither the board nor any trustee of the board shall be responsible for any reports furnished by any expert retained or employed by the board, but they shall be entitled to rely thereon as well as on certificates furnished by an accountant or an actuary, and on all opinions of counsel. The board shall be fully protected with respect to any action taken or suffered by it in good faith in reliance upon such expert, accountant, actuary or counsel, and all actions taken or suffered in such reliance shall be conclusive upon any person with any interest in the DROP.
- (f) *General provisions.*
- (1) *Amendment of DROP.* The DROP may be amended by an ordinance of the city at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the DROP. However, except as otherwise provided by law, no amendment shall make it possible for any part of the DROP's funds to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the DROP. No amendment shall be made which has the effect of decreasing the balance of the DROP account of any member.
 - (2) *Facility of payment.* If a member or other person entitled to a benefit under the DROP is unable to care for his affairs because of illness or accident or is a minor, the board

shall direct that any benefit due him shall be made only to a duly appointed legal representative. Any payment so made shall be a complete discharge of the liabilities of the DROP for that benefit.

- (3) *Information.* Each member, beneficiary or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the DROP, shall file with the board the information that it shall require to establish his rights and benefits under the DROP.
- (4) *Prevention of escheat.* If the board cannot ascertain the whereabouts of any person to whom a payment is due under the DROP, the board may, no earlier than three (3) years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person, as shown on the records of the board or the city. If such person has not made written claim therefor within three (3) months of the date of the mailing, the board may, if it so elects and upon receiving advice from counsel to the system, direct that such payment and all remaining payments otherwise due such person be canceled on the records of the system. Upon such cancellation, the system shall have no further liability therefor except that, in the event such person or his beneficiary later notifies the board of his whereabouts and requests the payment or payments due to him under the DROP, the amount so applied shall be paid to him in accordance with the provisions of the DROP.
- (5) *Written elections, notification.*
 - a. Any elections, notifications or designations made by a member pursuant to the provisions of the DROP shall be made in writing and filed with the board in a time and manner determined by the board under rules uniformly applicable to all employees similarly situated. The board reserves the right to change from time to time the manner for making notifications, elections or designations by members under the DROP if it determines after due deliberation that such action is justified in that it improves the administration of the DROP. In the event of a conflict between the provisions for making an election, notification or designation set forth in the DROP and such new administrative procedures, those new administrative procedures shall prevail.
 - b. Each member or retiree who has a DROP account shall be responsible for furnishing the board with his current address and any subsequent changes in his address. Any notice required to be given to a member or retiree hereunder shall be deemed given if directed to him at the last such address given to the board and mailed by registered or certified United States mail. If any check mailed by registered or certified United States mail to such address is returned, mailing of checks will be suspended until such time as the member or retiree notifies the board of his address.
- (6) *Benefits not guaranteed.* All benefits payable to a member from the DROP shall be paid only from the assets of the member's DROP account and neither the city nor the board shall have any duty or liability to furnish the DROP with any funds, securities or other assets except to the extent required by any applicable law.

(7) *Construction.*

- a. The DROP shall be construed, regulated and administered under the laws of the state, except where other applicable law controls.
- b. The titles and headings of the subsections in this section 22-198 are for convenience only. In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.

(8) *Forfeiture of retirement benefits.* Nothing in this section shall be construed to remove DROP participants from the application of any forfeiture provisions applicable to the system. DROP participants shall be subject to forfeiture of all retirement benefits, including DROP benefits.(9) *Effect of DROP participation on employment.* Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.

(Ord. No. 02-759, § 8, 10-7-02; Ord. No. 06-901, § 1, 10-2-06)

Sec. 22-199. Bi-annual review of status of retirees and beneficiaries.

The board shall review every two (2) years, the status of all service retirees, disability retirees and beneficiaries who are receiving payments from the system for the purpose of considering whether to recommend an ad hoc increase in benefits for all such persons. For purposes of its recommendation regarding the granting of ad hoc cost-of-living increases, and in consideration of the position of the state division of retirement, the board shall make a recommendation for an increase only if the net actuarial gains experienced since the most recent adjustment are sufficient to fully purchase the value of the additional benefits. The calculation of net actuarial gains and losses shall be computed by the board's actuary using generally accepted actuarial principles, and the cost method employed in the actuarial valuation of the fund, and shall be in compliance with F.S. § 112.61.

(Ord. No. 06-901, § 1, 10-2-06)

Secs. 22-200—22-210. Reserved.**ARTICLE VI. RESERVED***

***Editor's note**—Ord. No. 05-846, § 4, adopted April 18, 2005, repealed article VI, sections 22-211—22-213, in its entirety. Former article VI pertained to the harassment policy and derived from Ord. No. 02-741, adopted May 6, 2002; Ord. No. 02-769, § 1, adopted Nov. 4, 2002.