



Agenda Item Request Form

ITEM: Consideration of approval of the Firefighter's Retirement System Actuarial Impact Statement and accompanying First Reading of Ordinance 2725 amending Chapter 2, Administration, Article VI, Employee Benefits, Division 4, Municipal Firefighters' Pension Trust Fund.

BACKGROUND INFORMATION: Last session, The Florida Legislature adopted Senate Bill 426, which allows firefighters who are diagnosed with certain cancers eligible to receive certain disability or death benefits. These provisions were approved by the Governor and took effect July 1, 2019. The Firefighters' pension actuary completed an impact statement comparing the impact on the Minimum Required Contribution and the Required City Contribution, resulting from the implementation of the legislation. The estimated impact is \$645 for fiscal year ending September 30, 2020. Ordinance 2725 implements the conclusive cancer presumption established by section 112.1816, Florida Statutes, and the rebuttable disease presumptions under sections 112.18, 112.181 and 175.231, Florida Statutes, by amending Section 2-403 Disability benefits.

DEPARTMENT HEAD RECOMMENDATION: Staff recommends approval of the impact statement and first reading of Ordinance 2725.

Budget Impact

Budgeted? Yes: No: How Much budgeted? [Click here to enter text.](#)

If more, where do you suggest funds come from?

[Click here to enter text.](#)

Cost Center Affected: [Click here to enter text.](#)

Personnel \$ [Click here to enter text.](#)

Operating \$ [Click here to enter text.](#)

Capital \$ [Click here to enter text.](#)

Revenue \$ [Click here to enter text.](#)

Requested By: Brandy Waldron

Date: 2/3/2020

**CITY OF PANAMA CITY
FIREFIGHTER'S RETIREMENT SYSTEM**

ACTUARIAL IMPACT STATEMENT

November 18, 2019
(Page 1)

Attached hereto is a comparison of the impact on the Minimum Required Contribution (per Chapter 112, Florida Statutes) and the Required City Contribution, resulting from the implementation of the following changes:

Chapter 2019-21, Laws of Florida was signed into effect granting certain disability benefits to firefighters participating in an employer-sponsored retirement plan. Effective July 1, 2019, "the retirement plan must consider the firefighter totally and permanently disabled in the line of duty if he or she meets the retirement plan's definition of totally and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer." For this purpose, "cancer" is as defined in Section 112.1816(1), Florida Statutes.

To value for this change, we are increasing the in-line-of duty assumption from 75% of disablements to 90% of disablements for Firefighters.

Please note that the benefit changes provided in this impact statement only relate to the disability benefits for the Pension Fund and do not provide for other additional benefits that are provided for in Florida Statutes Section 112.1816.

The cost impact, determined as of October 1, 2018, applicable to the fiscal year ending September 30, 2020, is as follows:

	<u>New Benefits</u>	<u>Current Benefits</u>
Minimum Required Contribution	\$2,724,608	\$2,723,963
Member Contributions (Est.)	293,706	293,706
City And State Required Contribution	2,430,902	2,430,257
State Contribution (Est.) ¹	290,472	290,472
City Required Contribution ²	\$2,140,430	\$2,139,785

¹ Represents the amount received in calendar 2019. As per a Mutual Consent Agreement between the Membership and the City, all State Monies received each year up to \$409,329.68 will be available to offset the City's required contribution. State Monies in excess of this amount will be split equally between the City and the Excess State Monies Reserve.

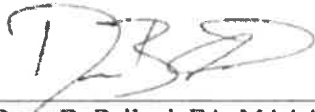
CITY OF PANAMA CITY
FIREFIGHTER'S RETIREMENT SYSTEM

ACTUARIAL IMPACT STATEMENT

November 18, 2019
(Page 2)

The changes presented herein are in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the State Constitution. The undersigned is familiar with the immediate and long-term aspects of pension valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the opinions contained herein.

All assumptions and methods used are the same as described in the October 1, 2018 actuarial valuation report unless otherwise indicated. All of the sections of this report are considered an integral part of the actuarial opinions.



Drew D. Ballard, EA, MAAA
Enrolled Actuary #17-8193

STATEMENT OF PLAN ADMINISTRATOR

The prepared information presented herein reflects the estimated impact of the benefit changes.



Chairman, Board of Trustees

ORDINANCE NO. 2725

AN ORDINANCE OF THE CITY OF PANAMA CITY, FLORIDA; AMENDING CHAPTER 2, ARTICLE VI, DIVISION 4 MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND, TO IMPLEMENT THE CONCLUSIVE CANCER PRESUMPTION ESTABLISHED BY SECTION 112.1816, FLA. STAT., AND THE REBUTTABLE DISEASE PRESUMPTIONS UNDER SECTIONS 112.18, 112.181 AND 175.231, FLA. STAT; BY AMENDING SECTION 2-403 DISABILITY BENEFITS; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, after years of study, the National Institute for Occupational Safety and Health (NIOSH) concluded that firefighters are at a higher risk of developing twenty-one enumerated types of cancer.

WHEREAS, the Florida Legislature, in recognition of this elevated cancer risk, has created a conclusive duty-related cancer presumption.

WHEREAS, Senate Bill 426 (SB 426) amends Chapter 112, Florida Statutes, by creating Section 112.1816, governing disability and death benefits for firefighters.

WHEREAS, SB 426 governs all Firefighter Pension Plans in Florida.

WHEREAS, the Board of Trustees of the City of Panama City Municipal Firefighters' Pension Trust Fund has prepared this ordinance to implement SB 426, effective July 1, 2019.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PANAMA CITY, FLORIDA, THAT:

Section 1: Section 2-403(b) of the Code of Ordinances of the City of Panama City is hereby created as follows:

Section 2-403. - Disability.

(b) *In-line of duty presumptions.*

- (1) *Rebuttable Presumption for hypertension and heart disease.* Any condition or impairment of health of a member caused by hypertension or heart disease shall be presumed to have been suffered in line of duty unless the contrary is shown by competent evidence, provided that such member shall have successfully passed a physical examination upon entering into such service, including cardiogram, which examination failed to reveal any evidence of such condition; and provided further,

that such presumption shall not apply to benefits payable or granted in a policy of life insurance or disability insurance. The provisions of Sections 112.18, 112.181 and 175.231, Fla. Stat., are hereby codified within the Plan and are intended to be incorporated by reference. The Board of Trustees may adopt uniform administrative rules for the conduct of hearings resulting relating to these rebuttable presumptions and for the determination of any disqualifying events reflected in Chapters 112 and 175, Fla. Stat.

- (2) *Additional rebuttable presumption for hepatitis, meningitis and tuberculosis.* The presumption provided for in this subsection (b)(2) shall apply only to those conditions described in this subsection (b)(2) that are diagnosed on or after January 1, 1996.

- (3). *Non-rebuttable conclusive cancer presumption.* The provisions of Section 112.1816, Fla. Stat., are hereby codified within the Plan and are intended to be incorporated by reference. The Board of Trustees may adopt uniform administrative rules for the conduct of hearings relating to this presumption and for the determination of any disqualifying events as reflected in the statute.

Section 3: If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

Section 4: It is the intention of the City Commission that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City; and that sections of this Ordinance may be renumbered or relettered and the word "ordinance" may be changed to "chapter", "section", "article", or such other appropriate word or phrase in order to accomplish such intentions; and regardless of whether such inclusion in the Code is accomplished, sections of this Ordinance may be renumbered or relettered and the correction of typographical and/or scrivener's errors which do not affect the intent may be authorized by the City Manager or his designee, without need of public hearing, by filing a corrected or recodified copy of same with the City Clerk.

Section 5: All ordinances or parts of ordinances, resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 6: This Ordinance shall become effective immediately upon adoption, unless otherwise provided.

INTRODUCED ON FIRST READING, this 11th day of February, 2020.

PASSED ON SECOND READING, this _____ day of _____, 2020.

CITY OF PANAMA CITY, FLORIDA

MAYOR

Attest:

CITY CLERK

Approved as to form:

CITY ATTORNEY

Coding: Words in ~~strikeout~~ type are deletions from existing text.
 Words in underline type are additions.