



City of Naples

-SUBJECT-	Page
Police and Fire Pension Plans.	1-7
Discussion of Beach Utilization.	7-11



Time 9:00 a.m.

Date 09/10/86

Vice Mayor Richardson called the meeting to order and presided as Chairman.

Present: Lyle S. Richardson
 Vice Mayor

Kim Anderson-McDonald*
 William E. Barnett
 William F. Bledsoe
 Alden R. Crawford, Jr.
 John T. Graver
 Councilmen

Absent: Edwin J. Putzell, Mayor

Also Present:

Franklin C. Jones, City Manager
 Mark W. Wiltsie, Assistant City Manager
 Paul C. Reble, Police Chief
 Tara A. Norman, Administrative Assistant
 Norris C. Ijams, Fire Chief
 Steven C. Brown, Personnel Director
 Christopher L. Holey, CCmmunity Serv. Dir.
 Gerald L. Gronvold, City Engineer
 David W. Rynders, City Attorney
 Police Officer Tim Cully
 Fire Lieutenant Sheldon Reed
 Firefighter Brian Giblin
 Fire Marshal Wayne Martin
 Stephen Palmquist,
 Kruse, O'Connor & Ling, Inc.
 Police Officer Mark Middlebrook
 William F. Hanley, Finance Director

Ed McMahon, Old Naples Assoc.
 Charles Andrews
 Chuck Curry, Naples Daily News
 Bill Upham, Naples Times
 Jerry Nichols
 Lori Rozsa, Miami Herald
 Beverly Cameron, WINK-TV
 Hilary Hutchison, TV-9
 C. Lodge McKee

Called to order 9:10 a.m.

*Mr. Richradson announced that Mrs. Anderson-McDonald would arrive later in the meeting.

1. Presentation by Stephen Palmquist of Kruse, O'Connor & Ling, Inc., actuarial consultants, regarding proposed changes in police and fire pension plans. Requested by Councilman Barnett on behalf of pension systems' boards of directors.

Mr. Jones outlined the meeting agenda and Councilman Barnett noted the presence of representatives of the police and fire pension boards and introduced Mr.

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Stephen Palmquist, Kruse, O'Connor & King, Inc. Mr. Palmquist submitted a cost summary of proposed benefit changes in the plans.

Mr. Jones noted that the two pension boards have for some time been discussing changes in benefit structures and today's presentation will involve the boards' future requests to the Council. Council would then consider these proposed changes which would have to be implemented by ordinance. This review might take some time, however, Mr. Jones pointed out, prior to actual adoption of an ordinance.

(While copies of Mr. Palmquist's report were being prepared, Mr. Jones showed a scale model of the proposed bandshell for Cambier Park. The representation, with a few minor changes, is relatively accurate, he said.)

Mr. Jones also announced that the ordinances restructuring the police and fire pension boards, in accordance with Florida Statutes, will be presented for second reading at the September 17 City Council meeting; official action on appointment of members could take place on October 1. Mr. Jones said that some members currently on the boards could be reappointed; Council members and/or city staff could, for instance, qualify. The statute provides for two people selected by the members of the pension systems, two by the City Council and those four will then elect a fifth member. The City Council member, meeting the criteria of being a resident of the City, could therefore be reappointed as could an appropriate member of the staff in this category, he added.

Mr. Palmquist then began his presentation. He advised that his firm had been working with the police and fire pension boards for approximately two years and has been addressing police officers' and firefighters' desire to increase benefits.

In reviewing his report (Attachment #1), he reminded the Council that two separate plans were being considered and asked them to also keep in mind the insurance premium tax refunds received from the state to be used for benefits for police officers and firefighters. Police pension plans receive casualty insurance rebates and fire pension plans receive theirs from fire insurance premiums, each paid within the applicable city limits. This city is fortunate, he said, in that state compensation in this category is very high in comparison to other cities. The police refund is approximately 14% of the annual payroll and 10% to 11% for fire. Other cities in the state often receive only a 5% refund, so Naples is in an enviable situation.

Because of this and other factors, Mr. Palmquist continued, the City doesn't have to fund the pension plans over and above these contributions and the 6% of payroll contributed by members.

These are defined benefit plans, he explained, not like profit sharing plans in the private sector. People retire at a given age and, based on salary, a pension is paid monthly to last the remainder of the member's life. A lower normal retirement (from 55 to 50) is

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anticipated and is the age at which unreduced benefits can be obtained through a special supplement which is designed to replace Social Security until the retiree reaches eligibility for this benefit.

POLICE PENSION PLAN PROPOSALS:

Mr. Palmquist then outlined the following benefit proposals:

1. Raise the benefit rate from 2% to 3%, which is the factor applied to the last three years of service. (Twenty years of service now results in 40% of pay; 25 years, 50% of pay, etc.) Therefore, a 20-year employee would, under the proposed revision, receive 60% of salary and a 25-year employee would receive 75%. The police pension members, as well as the fire, would be willing to forego the special supplemental benefit covering the years from retirement to age 62 if this factor were adopted. The maximum benefit is currently 60% of salary in both plans. Although a 25-year employee would top-out at 75% higher benefits would be paid for longer service because of a higher final salary.

2. Raise the members' contribution from 6% to 10% of pay.

Mr. Palmquist then reviewed the state funding received by the police pension plan. A January 1, 1986, evaluation showed that \$57,000 would be needed to fund current benefits, he said; some \$180,000 came from the state, so there was a large excess. Proposed changes would cost \$140,000, which is still less than the state contributions last year. Mr. Palmquist then pointed out that the actual payment from the state this year went up to approximately \$228,000. Regardless of the proposal, it would not require any further city funding over and above that of the state, he concluded.

Mr. Palmquist then clarified for Mr. Crawford that the figures presented are long-term cost proposals taking into consideration all future benefits to be paid, future salary increases, turnover, etc. The key item in this proposal, Mr. Palmquist explained, is the cost as a percent of payroll which should remain fairly stable throughout the years; dollar amounts are annual but percent of payroll is long term.

Discussion then turned to the potential of the legislature effecting a change in the state funding. It was Mr. Palmquist's position that, although Naples would most likely suffer from a change to either equalize the percentage of premiums statewide or a reduction in the funding, there has been little success with such moves in the past. He reminded Council that there are very strong police and fire lobbies which would fight any such change in Tallahassee.

Mr. Graver asked about vesting requirements and Mr. Palmquist said full vesting occurs after five years of service. Mr. Jones asked if salary figures included new or existing personnel; the figures are based on people in the plan on January 1. New people will be in the next annual report, Mr. Palmquist explained.

In response to Mr. Crawford, Mr. Palmquist clarified how annual costs in this type of plan are classified.

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Normal cost is the amount needed to stay current with benefits required in the current year; the second element of cost is an amortization payment on unfunded past service liability. (The City has none of the second element). There are actually funds available in excess of accrued liability now in the fund.

The excess amounts in this funding method go to decrease the annual normal cost of the plan and do not apply to the amount needed to fund additional benefits, Mr. Palmquist said. On Item D of the report, Past Service Liability, people in the City's employ when the plan was established were given credit for all past years of service which establishes an immediate liability to be paid off over a number of years. The increase in benefits proposed, however, said Mr. Palmquist, would be retroactive for people in the plan back to their date of employment; this is why a new past service liability is shown. This would be paid off over a 30 year period as part of the overall cost of the plan which is paid for by the state currently, he concluded. If the state ceases payments, this would be paid by the City.

Mr. Jones asked about the proposal to make benefit improvements retroactive because other plans do not necessarily do what this plan is proposing. About 75% to 80% of plans do this, however, responded Mr. Palmquist. Mr. Jones then asked for a breakdown of the cost of the various elements of the proposal and Mr. Palmquist said some elements impact others so this should be done carefully.

The Council then reviewed various other items of cost in Mr. Palmquist's report. Because there is still such a large excess between state contributions and funding needed, police officers could contribute 7%-8% of pay rather than the 10% being proposed, Mr. Palmquist said. Lowering these contribution rates would still result in state contributions covering full cost.

Various Council members expressed further concern about the certainty of the state funding remaining at or near present levels.

Mr. Crawford asked about investment of funds. Mr. Palmquist said that both police and fire funds up until last year were invested in what he termed antiquated contracts with Travellers Insurance Company with relatively low interest rates and high withdrawal penalties. The police, however, have hired Barnett Bank's Trust Company to invest the plan's money for higher yields. Now government bonds are being used and possibly stock in the future as well as money market funds.

Mr. Richardson asked why changes were being proposed. Mr. Palmquist replied that higher benefit levels were the goal, especially in comparison to the benefits available in other police departments, although the current benefits are not considered low. Members of the police and fire pension plans are aware that state money is not totally being used for their benefit, he said, but Mr. Richardson pointed out that the City has the liability to make up the difference if the state money is cut.

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Mr. Jones pointed out that under the state procedure of basing funding on percentage of payroll, adding more people to the force could result in the percentage of payroll amount going up faster than the percentage of premium; they are not related, he said. Although premiums are increasing, population is growing at a slow rate. This is contrasted with higher demand for services which would push salary costs up. Eventually these will meet and the City will be faced with funding the difference, the City Manager warned. This is another potential to be considered as well as possible state funding cuts.

(Councilman Anderson-McDonald arrived at 9:55 a.m.)

Mr. Barnett noted that if such a situation occurred, reducing benefits could be difficult, and Mr. Jones said that this is one reason he was concerned about wholesale purchase of past service by the new benefits package. It could be easier to change benefits if years of service applied to when various benefits were in effect, whether high or low.

Mr. Bledsoe asked if there was some historical information based on experience of other cities. Mr. Jones pointed out, however, that Mr. Palmquist's presentation was being made as a representative of the board(s) and he would therefore anticipate that the City staff would take the information presented at this meeting and make the necessary comparisons at a later date. Mr. Bledsoe said he was concerned about how action on changes in benefits would impact relations with the departments and Mr. Crawford said that while he wasn't trying to "nickel and dime" the plans, the City needs to plan for the future.

Officer Cully noted that one consideration in the proposed changes is that contributions be tax deferred which would result in a lesser increase in actual contributions because contributions are currently not tax-exempt. The tax code allows amendment of the plan to make it tax deferred, Mr. Palmquist said, meaning that the actual out-of-pocket additional payment for the individual would not be 4%. Mr. Jones said that an option would be to amend the plan so that the current contribution is tax deferred and other amendments considered later.

Mr. Graver asked about the rationale behind the state's limiting of the premium percentage for fire pension plans, and Mr. Jones said he believed the legislature had endeavored to limit it to a certain percentage of payroll and use the excess to fund other programs. Mr. Palmquist pointed out that this happened many years ago; there hasn't been any similar proposal for police.

Mr. Jones reminded the Council about the additional deferred compensation plan available to all employees to tax defer up to \$7,500 per year with a variety of investment options. The benefit is made up of contributions plus earnings. This is available to police and all employees of the City, he added. The City recognized that this was a desirable thing for employees; there are currently fire and police employees in the plan.

Mr. Graver asked about overage of state contributions not needed. Mr. Rynders noted that the excess amount might be used to further reduce unfunded liability; Mr. Palmquist, however, said that in this type of pension plan it goes to reduce contributions.

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MOTION

SECONDED

VOTE
YES
NO

ABSENT

FIRE PENSION PLAN PROPOSALS:

Mr. Palmquist called attention to his September 9 letter indicating a proposal to raise the benefit factor from 2% to 2 1/2% and raise the maximum to 75%. Employee contributions would be increased to enhance disability provisions in the plan. The current disability benefit is equal to the pension benefit, and the new proposal is to pay two-thirds of salary minus workers' compensation and/or Social Security benefits for line-of-duty injuries, regardless of tenure.

Now approximately \$89,000 is received from the state each year, Mr. Palmquist explained. The increase in cost for the proposed benefit changes is approximately \$21,000; whereas, if state payment went up only \$20,300 for next year, Mr. Palmquist added, this would result in only a \$500 contribution from the City.

To absorb this additional amount, Studies 2, 3, and 4, were drafted. For example, alternatives would be for a 65% maximum benefit; a benefit rate of 2 1/4% rather than 2 1/2%; or elimination of the supplemental benefit from retirement age to age 62. Any of these, said Mr. Palmquist, would result in savings to allow the cost to be met by the state with no contribution by the City. This \$500, however, is based on state funding at last year's level.

Mr. Graver asked for more information on supplemental benefits and Mr. Palmquist responded that this benefit would provide a 1/2% additional factor for retirees from 55 to 62 for each year of service to offset the lack of Social Security which applies at age 62.

The next step, according to Mr. Barnett, is to present to the Council at least the police pension amendments at the second meeting in October. Before this the staff will make recommendations and possibly schedule another workshop. On the fire pension plan amendments, there must be another meeting of the board to make a concrete recommendation which will require a different time frame than for police.

Mr. Jones said that although the plans need not be considered together, it might be advisable for the Council to do so because of the use of advisors.

Recess: 10:20 a.m. - 10:30

- 2. Discussion of General Pension Plan:
 - a) Structure of Board of Trustees
 - b) Plan benefits

Mr. Jones noted that at the last workshop the Council had received a presentation by Jerry Nichols and he was now are seeking feedback from the Council. He suggested addressing the various issues with the general pension board and then returning to Council with recommendations on future actions.

Mr. Jones then reviewed the pending recommendations including the board being made up of a City Council member, citizen, staff member (administration), bargaining unit employee and another employee from the non-bargaining unit.

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Most of the benefit issues should also be considered by the board, Mr. Jones continued. The board should then make its recommendations. Mr. Jones said that none of the other items were particularly significant. He, however, recommended that the Council act soon on revision in the makeup of the board.

Mr. Jones indicated that Jerry Nichols was being considered as an advisor to the City on all the pension systems. He would be employed as a consultant which will be particularly helpful in addressing the police and fire requests, Mr. Jones added. This would be a general fund expense, although Mrs. Anderson-McDonald asked for some means for the boards to fund Mr. Nichols' services.

Staff will proceed to arrange a discussion by the general pension board.

3. Discussion of beach utilization:
 - a) Parking (including results of recent beach parking survey)
 - b) Other beach related activities
 - c) Police volunteer program

Ed McMahon, on behalf of the Old Naples Association, stated that although options discussed regarding the beach had included everything from restricting parking to citizens to no parking on the beach and use of offsite lots, parking meters would not restrict parking, only provide revenue for beach maintenance from people who did not live in the City and used the beaches. He also recommended a beach use study in winter as well as summer.

Mr. Jones outlined the history of the beach parking/use issue. The City has reconstructed beachends to delineate spaces; a future phase would have the intent of ensuring City and County residents availability of parking, and then non-residents, through the use of stickers.

Based on surveys done over the past few years, the Council decided no further restrictions would be put in place until it was found that there was not a general availability of parking for those who wanted to use the beachends, Mr. Jones added. He introduced Mark Wiltsie to discuss the surveys, Chief Reble to discuss enforcement, and Chris Holley to answer questions about park facilities on the beach. Staff is seeking Council input based on this most current information.

Mr. Graver asked about the legalities involved in placing restrictions on beach parking. Mr. Rynders stated that this issue is not totally clear, particularly because of the variety of issues involved. The underlying principle, he said, is whether all members of the public have equal access to the beach. For example, regulation of parking could result in a practical prohibition as well as a legal prohibition and thus would go too far, he added. Each proposed restriction must be evaluated in light of practical restrictions, therefore. The establishment of

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parking meters, a portion of which are open to the general public, is not a problem nor is the limitation of a percentage of available parking spaces to those buying sticker. If those stickers, however, are available only to residents or at a substantially reduced cost to residents, this should be carefully evaluated, Mr. Rynders stated. Sanibel Island has restricted certain beach areas for residents and no one has challenged it, although it has been in effect for a number of years.

Mr. McMahon brought up the point that the platted street, Gulf Boulevard, makes the beachends public thoroughfares. Mr. Rynders said that although this street, which runs along the beach, was platted and is a public right-of-way, there are places where it is under the water and places where it is substantially back from the water. The City could find there is no further public need for this street access and could conceivably vacate it, but this would have little effect because the public has used it for a great length of time and has therefore a continuing right to use it. He recommended against this type of action.

C. Lodge McKee said this unbuilt street, however, does give the City control as opposed to riparian rights on various other areas of the beach, and Mr. Rynders confirmed that streets could be regulated more than areas with riparian rights.

Mr. Wiltsie reviewed the summer beach survey (Attachment #2) which he said endeavored to document increases in beach parking. Spaces from Gulf Shore Blvd. to the beachends were counted and any spaces east of Gulf Shore were considered overflow parking.

In comparison, he noted a slight increase in weekday occupancy over the past three years' surveys. Weekend use is up about 4% from the summer of 1983 to 1985. There is a drastic difference, however, between 1985 winter and 1986 summer figures. Surveys will be done in the future for both summer and winter, Mr. Wiltsie confirmed.

The conclusion is that at no time is every space taken although there are certain areas of concentration. Those areas, Mr. Wiltsie reported, are primarily Seventh and Eighth Avenues, North; around the fishing pier; and 17th, 18th, 32nd and 33rd Avenues, South. One recommendation was to place signs along US 41 and other strategic locations to channel this high concentration to other areas. Through the media, too, areas of sufficient parking could be identified.

Mr. Barnett cautioned that the signs could create overflow problems at the alternative locations, but Mr. Wiltsie observed that each year the same areas of high concentration were noted and there are virtually the same areas under-utilized. Mr. Richardson pointed out that these signs could also serve to divert traffic west to Gulf Shore and then disperse it among beachends which had fewer cars.

Mr. Crawford and Mr. Bledsoe both cautioned against signs proliferating and Mr. Graver said City residents already recognize areas where there is parking availability. Mr. McKee said that the choice of a certain beachend is frequently socially and amenity oriented and therefore the people who choose those

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locations do not do so based on parking considerations. Mr. McKee also noted Naples' unique features and contrasted this community with areas where parking lots are used to control beach access. Naples' beach is probably more open than any other area of the state, he observed, and asked the Council to consider whether they feel compelled to consistently foster this type of openness. The next step after beachend improvement is improvement of parking on the next block east which already occurs in the winter, he said. "We are at one stage of the struggle, but the concentration is really not due to available spaces but social concerns," said Mr. McKee. "Fourteenth is going to be a continuing problem because people want to go there."

Mr. Crawford said that the City is trying to make sure its residents, then County residents, and then people from outside the County have access. The legal implications are clear with reference to charging greatly less for City residents, he said, but Mr. Rynders said he was not ready to rule this out in light of the Sanibel restrictions. Mr. Crawford said Council should delineate options to consider; it would be too late to wait until there was 100% utilization. Mr. Graver said that there is no doubt that certain areas are a problem now and this must be looked at in light of policing needs.

Mr. McKee cited steps the City has already taken which would not be considered as further opening the beach to use: improved organization of parking with curb, etc.; and the elimination of parking on Gulf Shore Blvd which resulted in what he termed a tremendous visual difference in the area.

Mr. Jones also reviewed the beachend improvement program which he said was in response to citizen input that parking was out of control. Also enforcement was increased and certain other regulations were put in place governing beach activities. There has been an improvement to the degree that there is a minimum of complaints from area residents, and he said he was not aware of any access or availability problems experienced by either citizens or visitors. The Council may want to address whether 100% utilization is acceptable at any time and this could determine when further restrictions are implemented, Mr. Jones suggested.

Mr. McMahon noted that the County has given away beach access to developers and Mr. Bledsoe noted comments made previously to the effect that if County residents couldn't use the City beaches, the City should not use water which came from wells in the County.

Mr. Richardson noted that although there was better enforcement, last winter had been a relatively quiet season, and the City should look at the issue further before anything else is done. There will be objections from the public, whatever action is taken, he observed, and asked how many additional spaces could be provided if parking redevelopment could be done on the east side of Gulf Shore Blvd. He also asked the staff to advise Council on what would be involved to provide additional beachfront spaces as well as information for review of past actions and proposals.

Mr. Jones noted that another consideration might be how compatible various activities are among beachgoers and

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asked Chief Reble for comment on using the police volunteer program in conjunction with beach activities. Mr. Jones said that enforcement has improved the situation and it is hoped that this new program will help the City maintain this level.

Chief Reble first noted the cooperation received from the various neighborhood groups and also the response of the administration in addressing these needs.

The expanded volunteer program would provide work along the beach area through organization of a specific beach unit. These volunteers could assist in the litter problem by advising the public of regulations and notify sworn officers when needed, Chief Reble said. Communications with volunteers will be provided by surplus portable radio equipment and will be improved in the future.

Chief Reble confirmed that the enforcement problem will move east with stricter beachend parking regulations and more signs would be required. There is no ordinance restricting parking on the grassy areas east of Gulf Shore, he added.

Chief Reble also noted the college spring break problem which is beginning to spread from Fort Myers, although Mr. Barnett said he doubted that this would be a serious problem here because of the lack of lodging in the winter which is affordable to college students.

Mr. Graver asked for information on past parking infractions. Chief Reble said that there are certain problem areas. For example, some owners of property are non-residents and therefore it is difficult to locate them to request installation of signs and/or barricades necessary to restrict parking on private property. During the peak season, there are many infractions although the parking restrictions on Gulf Shore and signing have assisted greatly. Without marking private property, however, it is difficult for the police department to take action on complaints. Property owner associations have been of great assistance in getting these areas marked, he added.

Mr. Crawford requested a survey of license plates; this is currently being done in Lowdermilk Park, Mr. Wiltsie confirmed, and indicated this type of work could also be done by the volunteer program.

The volunteer program is looking very promising, Chief Reble observed.

Mr. McMahon brought up the point of water patrol along the beach which could also be something a volunteer could handle. He also suggested using the YMCA auction to obtain an additional boat. The department now has three boats, said Chief Reble, but conceded that it is difficult to keep all in service at one time. Volunteers in boats is a liability concern, he pointed out, although consideration would be given to using them in this capacity in the future.

Mr. Graver mentioned that there are actually few restrictions on bringing boats near the beach, idle speed being the only one. Warning buoys are also in need of replacement. Chief Reble said that there is not a great problem with unsafe operation of boats, although activity does increase occasionally.

KRUSE, O'CONNOR AND LING INC.

Consultants and Actuaries

FORT LAUDERDALE OFFICE
WEST BROWARD PROFESSIONAL BUILDING
7320 GRIFFIN ROAD, SUITE 200
FORT LAUDERDALE, FLORIDA 33314
(305) 791-5888

NORTH/CENTRAL FLORIDA OFFICE
626 NORTHEAST FIRST STREET
GAINESVILLE, FLORIDA 32601
(904) 375-3800

Fort Lauderdale Office
September 9, 1986

Mr. Wayne Martin
City of Naples
735 8th Street, South
Naples, Florida 33940

Dear Mr. Martin:

Pursuant to our August 27 telephone conversation, we have valued several proposed changes to the City of Naples Firemen's Retirement Trust Fund. Four separate studies were completed, with the last three being slight variations of the first. Each of these studies is described below. Study 1 includes the Board's first choice of benefits. Since this set of benefits produced a City contribution over and above the 1986 payment from the State, we valued certain cutbacks to the first choice.

Study 1

- Raise the benefit accrual rate from 2% to 2 1/2% (retains the supplemental benefit).
- Raise the maximum benefit as a percent of final average earnings from 60% to 75%.
- Raise the employee contribution rate from 6% to 7% and make these contributions tax deferred.
- Change the service incurred disability benefit from the accrued benefit to 66 2/3% of the earnings in effect at the time of the disability with this amount offset by workers' compensation and social security.

Study 2

- Raise the maximum benefit as a percent of final average earnings from 60% to 65% (instead of 75%).

Study 3

- Raise the benefit accrual rate from 2% to 2 1/4% (instead of 2 1/2%).

Study 4

- Eliminate the supplemental benefit (1/2% until age 62).

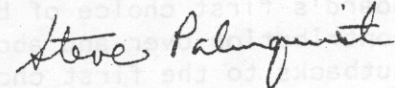
Mr. Wayne Martin
City of Naples
September 9, 1986
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The attached table shows the results of the January 1, 1986 valuation based on the current set of benefits as well as the results of each of the four studies.

For the purpose of the valuation and these studies, we have assumed that the 1986 contribution from the state will be the same as the 1985 payment of \$69,520. In actuality, the 1986 payment was \$89,860. The increase of \$20,340 is almost enough to cover the cost of the changes described in Study #1, but is far in excess of the costs shown in Studies 2 through 4.

Please call us if you have any questions or desire additional information.

Sincerely yours,



J. Stephen Palmquist

JSP/jd
encl

CITY OF NAPLES FIREMEN'S RETIREMENT TRUST FUND

	1/1/86	Study #1	Study #2	Study #3	Study #4
	Valuation	Valuation	Valuation	Valuation	Valuation
A. Annual Payroll					
1. Active Members	\$ 732,547	\$ 732,547	\$ 732,547	\$ 732,547	\$ 732,547
2. Active Members Below the Assumed Retirement Age	690,879	690,879	690,879	690,879	690,879
B. Actuarial Present Value of Projected Benefits					
1. For Active Members	2,157,130	2,624,633	2,495,770	2,421,690	2,443,190
2. For Service Retirees	0	0	0	0	0
3. For Disability Retirees	22,120	22,120	22,120	22,120	22,120
4. For Beneficiaries Receiving Benefits	0	0	0	0	0
5. For Terminated Vested Members	0	0	0	0	0
6. Total	2,179,250	2,646,753	2,517,890	2,443,810	2,465,310
C. Actuarial Value of Assets	1,278,897	1,278,897	1,278,897	1,278,897	1,278,897
D. Unfunded Frozen Actuarial Accrued Liability (UFAAL)	0	0	0	0	0
E. Actuarial Present Value of Projected Member Contributions	486,720	567,844	567,844	567,844	567,844
F. Actuarial Present Value of Projected Employer Normal Costs: B6 - C - D - E	413,633	800,012	671,149	597,069	618,569
G. Actuarial Present Value of Projected Covered Payroll	8,111,900	8,111,900	8,111,900	8,111,900	8,111,900
H. Employer Normal Cost as a Percentage of Covered Payroll: (100 x F/G) + 2.25% for Administrative Expenses	7.35%	12.11%	10.52%	9.61%	9.88%
I. Annual Employer Normal Cost: A2 x H As % of A1	50,780 6.93%	83,665 11.42%	72,680 9.92%	66,393 9.06%	68,259 9.32%
J. Expected Member Contributions As % of A1	41,454 5.66%	48,360 6.60%	48,360 6.60%	48,360 6.60%	48,360 6.60%

CITY OF NAPLES FIREMEN'S RETIREMENT TRUST FUND

(cont.)

1/1/86

Valuation Study #1 Study #2 Study #3 Study #4

K. Annual Payment Needed to Liquidate the UFAAL Over the Number of Years Left in the Amortization Period

\$	0	\$	0	\$	0	\$	0
	NA		NA		NA		NA

As % of A1

L. Expected Premium Tax Refund to be Received From the State

69,520	69,520	69,520	69,520	69,520
9.49%	9.49%	9.49%	9.49%	9.49%

As % of A1

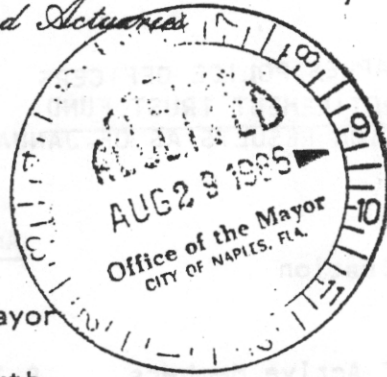
M. Minimum Required Annual Employer Contributions if Paid at the End of the Valuation Year: (I + K) x 1.08 - L

0	20,838	8,974	2,184	4,200
NA	2.84%	1.23%	0.30%	0.57%

As % of A1

KRUSE; O'CONNOR AND LING INC.

FORT LAUDERDALE OFFICE
 WEST BROWARD PROFESSIONAL BUILDING
 7320 GRIFFIN ROAD, SUITE 200
 FORT LAUDERDALE, FLORIDA 33314
 (305) 791-5888

Consultants and Actuaries

NORTH/CENTRAL FLORIDA OFFICE
 626 NORTHEAST FIRST STREET
 GAINESVILLE, FLORIDA 32601
 (904) 375-3800

Fort Lauderdale Office
 August 28, 1986

Ms. Mae Beach
 Secretary to the Mayor
 City of Naples
 735 8th Street, South
 Naples, Florida 33940

Dear Mae:

We have once again determined the actuarial impact of the package of proposed changes to the Police Officers Pension Plan which were originally outlined in correspondence from Tim Cully dated January 20, 1986. The proposed changes are as follows:

1. Lower the normal retirement age from 55 to 50.
2. Raise the benefit rate from 2% to 3%.
3. Eliminate the special supplement that runs to age 62.
4. Increase the maximum allowable benefit from 60% to 75% of final average compensation.
5. Raise the member's contribution rate from 6% of salary to 10%.

Based on January 1, 1986 data, the required City/State contribution for the current set of benefits without any changes is \$57,425, or 4.43% of covered payroll. When the expected State contribution of \$180,300 is subtracted from this amount, there is no remaining balance for the City to contribute.

The required City/State contribution for the proposed new package of benefits would be \$140,105, or 10.81% of covered payroll. When the expected State contribution of \$180,300 is subtracted from this amount, there is no remaining balance for the City to contribute. A cushion of about \$40,000 still remains. This cushion, along with the large increase in the State contribution to \$227,998 this year, should justify a lower contribution rate by employees of, say, 7% or 8%.

The deferral of income tax payments on employee contributions would be included in the package, but there would be no impact on required contributions. The change from five year to ten year vesting would also not be felt until there were a number of new officers hired after the changes occur.

Should you have any questions pertaining to this matter please contact us.

Sincerely yours,

Steve Palmquist
 J. Stephen Palmquist

JSP/jd
 enc 1

NAPLES POLICE OFFICERS
RETIREMENT TRUST FUND
ACTUARIAL VALUATION RESULTS AS OF JANUARY 1, 1986

	<u>Without Any Changes</u>	<u>Including Proposed Changes</u>
A. Those Included in the Valuation		
1. Active Members		
a. Number	59	59
b. Annual Payroll of Active Members	\$ 1,296,248	\$ 1,296,248
c. Annual Payroll of Active Members Below the Assumed Retirement Age	1,269,001	1,269,001
2. Service Retirees		
a. Number	1	1
b. Annual Benefit Payments	6,552	6,552
3. Disability Retirees		
a. Number	0	0
b. Annual Benefit Payments	—	—
4. Beneficiaries Receiving Benefits		
a. Number	0	0
b. Annual Benefit Payments	—	—
5. Terminated Vested Members		
a. Number	0	0
b. Annual Benefits Due	—	—
B. Actuarial Present Value of Projected Benefits		
1. For Active Members		
a. Service Retirement Benefits	2,642,112	3,415,041
b. Vesting Benefits	476,678	904,108
c. Disability Benefits	189,390	141,665
d. Preretirement Death Benefits	51,812	0
e. Return of Member Contributions	181,493	123,279
f. Other	0	0
g. Total	<u>3,541,485</u>	<u>4,584,093</u>
2. For Service Retirees	58,930	58,930
3. For Disability Retirees	0	0
4. For Beneficiaries Receiving Benefits	0	0
5. For Terminated Vested Members	0	0
6. Total	<u>3,600,415</u>	<u>4,643,023</u>
C. Actuarial Value of Assets	2,428,046	2,428,046
D. Unfunded Frozen Actuarial Accrued Liability (UFAAL)	(517,717)	816,625
E. Actuarial Present Value of Projected Member Contributions	765,433	1,004,080
F. Actuarial Present Value of Projected Employer Normal Costs: B6 - C - D - E	406,936	394,272
G. Actuarial Present Value of Projected Covered Payroll	12,757,300	10,041,000

H.	Employer Normal Cost as a Percentage of Covered Payroll: $(100 \times F / G)$ + 1.00% for Administrative Expenses	4.19%	4.93%
I.	Annual Employer Normal Cost: $A1c \times H$ As % of A1b	\$ 53,171 4.10%	\$ 62,562 4.83%
J.	Expected Member Contributions As % of A1b	76,145 5.87%	126,900 9.79%
K.	Annual Payment Needed to Liquidate the UFAAL Over the Number of Years Left in the Amortization Period As % of A1b	NA —	67,165 5.18%
L.	Minimum Required Employer/State Contribution if Paid at End of Year: $(I + K) \times 1.08$ As % of A1b	57,425 4.43%	140,105 10.81%
M.	Expected Premium Tax Refund to be Received From the State As % of A1b	180,300 13.91%	180,300 13.91%
N.	Minimum Required Annual Employer Contributions: $L - M$ As % of A1b	0 —	0 —



City of Naples

MEMO

TO: FRANKLIN C. JONES, CITY MANAGER
FROM: MARK W. WILTSIE, ASSISTANT CITY MANAGER
SUBJECT: 1986 SUMMER BEACH SURVEY
DATE: AUGUST 25, 1986

BACKGROUND: In 1985 I conducted a beachend utilization survey from March 1 through March 14. The survey was undertaken to determine the comparison of available versus occupied beachend parking spaces. In addition, data regarding overflow parking, handicap space utilization and number of visitors was gathered. My memorandum dated October 1, 1985 is attached for your information and review.

ANALYSIS: This year we decided to undertake our beach survey in the summer to establish a data base for future year comparisons of "off-season" use. For some time now we have assumed our beaches have become more popular in the summer. The 1986 summer beach survey identifies the degree of popularity.

GENERAL INFORMATION

Dates of survey: June 23 through July 7
Time of day survey taken: 10:00 a.m. to 2:00 p.m.
Total number of spaces available: 842
Total number of locations surveyed: 34

The 1986 summer survey included the following:

- (1) Number of regular and handicap spaces available at each location.
- (2) Number of regular and handicap spaces occupied at each location.
- (3) Percentage of occupancy on each day of survey for both regular and handicap spaces.
- (4) Number of vehicles parked on right-of-ways east of Gulf Shore Boulevard.
- (5) Approximate number of visitors at each location.
- (6) Weather conditions.

An analysis of the survey data is as follows:

- (1) Average occupancy for all beachend parking spaces on weekdays was 48.2% for all days with sunny weather conditions. 1983 survey was 47.9%.

Franklin C. Jones
 August 25, 1986
 Page 2

- (2) Average occupancy for all beachend parking spaces on weekends was 72.5%. Weather conditions were either partly cloudy or sunny. 1983 survey was 68.2%.
- (3) Average occupancy for all handicapped parking spaces was 18.6%.
- (4) Overflow parking on right-of-ways east of Gulf Shore Boulevard for weekdays and weekends averaged three and ten vehicles, respectively.
- (5) Average number of visitors over the 14 day period was 496 per day.

A copy of the survey form, a summary of average parking occupancy and a bar graph showing occupancy by location are attached for your review.

CONCLUSIONS:

HANDICAP PARKING

Provisions for handicap parking at the beachends was expanded several years ago. Our survey data reveals that a sufficient number of spaces exist for use by the handicapped.

BEACHEND PARKING

The following is a recap of beachend parking surveys accomplished to date: (% of spaces available vs. occupied)

	<u>1983 (Summer)</u>	<u>1985 (Winter)</u>	<u>1986 (Summer)</u>
Average Weekday Occupancy	47.9	72.9	48.2
Average Weekend Occupancy	68.2	92.8	72.5

As in past surveys, we have identified several areas of high concentration while other locations receive relatively little use. The attached bar graph shows areas of high concentration which can be explained as follows:

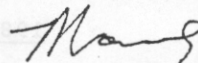
- (1) Seventh and Eighth Avenues North: These two beachends were also identified as high usage in the 1985 (winter) survey. Once again, it appears that the proximity to the Beach Club Hotel, which has a number of attractions, obviously draws beach-goers.
- (2) 11th, Broad and 12th Avenues South: As is obvious, the fishing pier, availability of restrooms, showers and concession stands make this area extremely popular in both the summer and winter seasons.
- (3) 17th, 18th, 32nd and 33rd Avenues South: The attractions to these beachends has always been the relatively wide sandy beach and the number of sailboats stored in the area. The abundance of beach vegetation (i.e. sea oats), bird life and sailboat use makes this area popular for those beach-goers who enjoy these spectacles.

RECOMMENDATIONS: My recommendations at this time are as follows:

- (1) Continue, on an annual basis, to undertake surveys which identify the various aspects of beach utilization. It may be prudent to gather data in both the winter and summer seasons of each year. This would provide us with sufficient information to determine trends and the ability to implement changes as may be required.
- (2) Issue periodic news releases as to locations of our beaches which normally have more than sufficient available parking. In this way visitors and residents who occasionally use the beach could preselect areas where parking is not a problem.
- (3) Provide signage on U.S. 41 which would direct visitors and tourists to beachheads with adequate parking. I've attached a map of the City where I feel signs could be placed for this purpose.
- (4) Encourage, whenever possible, efforts of Collier County and developers to provide public beach access which would relieve the City's burden in this regard.

Please advise should you have any questions or require additional information. My thanks to the Police Department and Tara Norman for their assistance on this survey.

Respectfully submitted,



Mark W. Wiltsie
Assistant City Manager

MWW/ca

xc: Edwin J. Putzell, Jr., Mayor

attach.

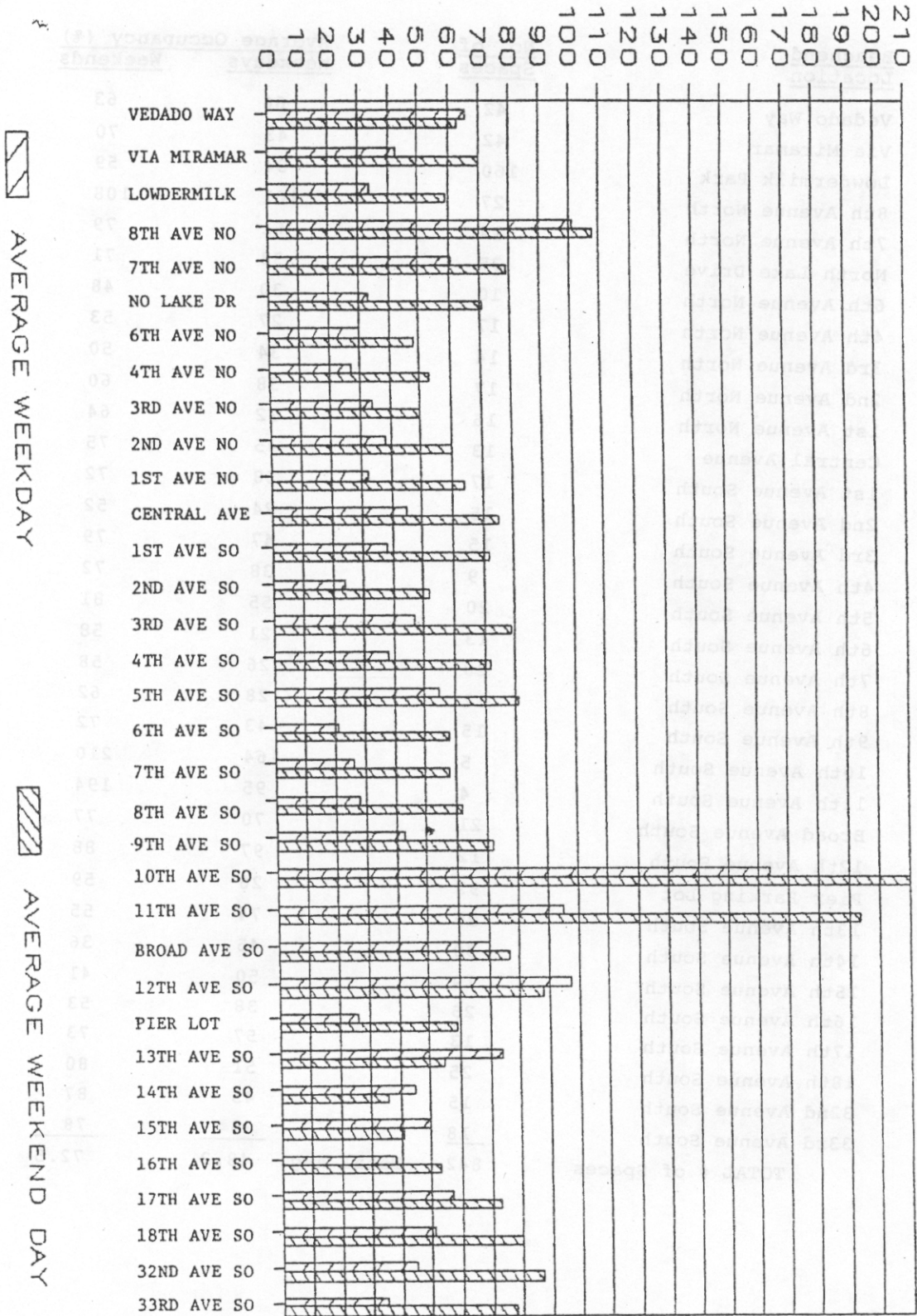
BEACH PARKING SURVEY

SUMMER 1986

SUMMARY OF AVERAGE OCCUPANCY

<u>Beachend Location</u>	<u>No. of Spaces</u>	<u>Average Occupancy (%)</u>	
		<u>Weekdays</u>	<u>Weekends</u>
Vedado Way	42	66	63
Via Miramar	42	43	70
Lowdermilk Park	160	34	59
8th Avenue North	27	101	108
7th Avenue North	14	61	79
North Lake Drive	35	33	71
6th Avenue North	10	30	48
4th Avenue North	17	27	53
3rd Avenue North	14	34	50
2nd Avenue North	17	38	60
1st Avenue North	16	32	64
Central Avenue	13	45	75
1st Avenue South	17	38	72
2nd Avenue South	15	24	52
3rd Avenue South	15	47	79
4th Avenue South	9	38	72
5th Avenue South	20	55	81
6th Avenue South	13	21	58
7th Avenue South	20	26	58
8th Avenue South	12	28	62
9th Avenue South	15	43	72
10th Avenue South	5	164	210
11th Avenue South	4	95	194
Broad Avenue South	21	70	77
12th Avenue South	12	97	88
Pier Parking Lot	92	26	59
13th Avenue South	20	74	55
14th Avenue South	30	45	36
15th Avenue South	19	50	41
16th Avenue South	25	38	53
17th Avenue South	13	57	73
18th Avenue South	25	51	80
32nd Avenue South	15	45	87
33rd Avenue South	18	35	78
TOTAL # of Spaces	842	Total Avg. 48.2	72.5

AVERAGE % OCCUPANCY



BEACH PARKING UTILIZATION SURVEY
JUNE 23 THRU JULY 7 1986

SUMMER 1986

LOCATION	REGULAR SPACES AVAILABLE	REGULAR SPACES OCCUPIED	% OCCUPIED	HANDICAP SPACES AVAIL.	HANDICAP SPACES OCCUPIED	% OCCUPIED	OVERFLOW ON RIGHT OF WAY	APPROX. NO. OF VISITORS	TIME
1 VEDADO WAY	42			-					
2 VIA MIRAMAR	42			-					
3 LOWDERMILK PARK	160			6					
4 8TH AVENUE NORTH	27			-					
5 7TH AVENUE NORTH	14			-					
6 NORTH LAKE DRIVE	35			2					
7 6TH AVENUE NORTH	10			1					
8 4TH AVENUE NORTH	17			-					
9 3RD AVENUE NORTH	14			-					
10 2ND AVENUE NORTH	17			-					
11 1ST AVENUE NORTH	16			2					
12 CENTRAL AVENUE	13			-					
13 1ST AVENUE SOUTH	17			-					
14 2ND AVENUE SOUTH	15			-					
15 3RD AVENUE SOUTH	15			-					
16 4TH AVENUE SOUTH	9			3					
17 5TH AVENUE SOUTH	20			-					
18 6TH AVENUE SOUTH	13			-					
19 7TH AVENUE SOUTH	20			-					
20 8TH AVENUE SOUTH	12			-					
21 9TH AVENUE SOUTH	15			-					
22 10TH AVENUE SOUTH	5			-					
23 11TH AVENUE SOUTH	4			-					
24 BROAD AVENUE SOUTH	21			-					
25 12TH AVENUE SOUTH	12			4					
26 PIER PARKING LOT	92			-					
27 13TH AVENUE SOUTH	20			-					
28 14TH AVENUE SOUTH	30			-					
29 15TH AVENUE SOUTH	19			-					
30 16TH AVENUE SOUTH	25			-					
31 17TH AVENUE SOUTH	13			-					
32 18TH AVENUE SOUTH	25			-					
33 32ND AVENUE SOUTH	15			-					
34 33RD AVENUE SOUTH	16			-					

SUNNY, WARM
 PARTLY CLC
 WARM
 CLOUDY OR RAIN
 CONDITIONS