

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 2.64 (CITY EMPLOYEES' PENSION FUND) CONCERNING THE APPOINTMENT OF TRUSTEES, CHANGING THE TERMS OF OFFICE FOR CERTAIN TRUSTEES, PRESCRIBING PROCEDURES FOR FILLING VACANCIES ON THE BOARD, IMPOSING EDUCATIONAL REQUIREMENTS ON TRUSTEES, PROVIDING FOR THE AUTOMATIC REMOVAL OF TRUSTEES AND CLARIFYING THE METHOD FOR BUYING BACK SERVICE CREDIT FOR MEMBERS WHO ARE RE-EMPLOYED

WHEREAS, Section 2.64.080 of Chapter 2.64 entrusts the Board of Trustees of the City Employees' Pension Fund with the task of administering the City Employee's Pension Fund and directing the investment of its assets; and,

WHEREAS, the Board of Trustees and the City of El Paso believes that certain amendments to Chapter 2.64 are necessary to improve the operation and efficiency of the Pension Fund and its Board of Trustees; and,

WHEREAS, the Board of Trustees, in the exercise of its fiduciary responsibility believes that it would be in the best interest of the Pension Fund and the City of El Paso if Chapter 2.64 of the City Code is amended as described below; and,

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO THAT CHAPTER 2.64 BE AMENDED AS FOLLOWS:

a. That Section 2.64.020 of Chapter 2.64 of the El Paso City Code be amended to read as follows:

Such fund shall be administered by a board of trustees comprised of two members of the City Council, two citizens of the city who are not officers or employees of the city and who have resided in the city for a period of at least two years immediately preceding their appointment, four city employees who are qualified to participate in the fund, and one retired city employee receiving pension benefits from the fund and who is a resident of the city.

b. That the first two sentences in section 2.64.030(A) of Chapter 2.64 of the El Paso City Code be amended to read as follows:

The two members of City Council, one of which may include the mayor, at his or her discretion, shall be appointed by the mayor to serve on the board. The mayor shall also appoint the two citizens who are not officers or employees and the retiree member.

c. That section 2.64. 030 (B) of Chapter 2.64 of the El Paso City Code be amended to

read as follows:

City Council and citizen appointees shall serve for a term of two (2) years, and City employee trustees shall serve for a term of four (4) years. City employee terms shall be staggered so that two (2) seats are filled by election every two (2) years. Commencing with the scheduled April 2017 election for City employee trustees, the employee trustee terms of four (4) years shall take effect. For City employees whose terms will expire in April 2018, their terms shall be extended by one (1) additional year and will expire in April 2019. A term will commence on the date of appointment by the mayor or date of election result posted by the City clerk.

There shall be no limitation as to the number of consecutive terms that a trustee may serve.

d. That section 2.64.030(C) of Chapter 2.64 of the El Paso City Code be amended to read as follows:

A member of the board who is not present at four (4) regularly-scheduled board meetings in a calendar year shall be automatically removed from serving as a member of the board.

e. That section 2.64.030 of Chapter 2.64 of the City Code be amended by adding subsection (D) as follows:

All board members shall comply with the education and service requirements of the Texas Pension Review Board and any other official governmental body which regulates the board. A member who fails to comply with such requirements shall be automatically removed as a member of the board.

f. That section 2.64.040 be amended to read as follows:

For appointed trustees, the mayor shall be notified by the board administrator no less than thirty (30) days prior to the expiration of a term of a need to appoint for a new term, or upon the receipt of a notice of resignation from service by a member. The mayor shall make an appointment within thirty (30) days of the date of term expiration or date of resignation, or the position shall be considered vacant.

A trustee position shall be considered vacant if an appointed or elected trustee has not completed the oath of office procedure within thirty (30) days of the commencement of a term, if a trustee has resigned by duly notifying the board, or if a trustee is removed from the board in accordance with Section 2.64.030(C) or 2.64.030(D) of this Chapter.

For any vacant position, the board shall be authorized to adopt a procedure to fill a vacancy for the remainder of the term at its sole discretion, including but not

limited to re-appointing a trustee whose seat has become vacant, or considering an application for re-appointment from a member removed for excessive absences.

g. That section 2.64.120(H)(3) be amended to read as follows:

A person entitled to benefits under this section who first becomes a fund participant before September 11, 2011, and subsequently retires and is reemployed by the city, shall receive a monthly pension from the pension fund computed according to the formula set forth in Section 2.64.200 where the total complete years and months, and fractional parts of months of service used as a single multiplier to compute his/her monthly pension shall include such service rendered before the date of his/her retirement and such service rendered after the date of his/her re-employment until the date of his/her second and final retirement; provided, that such person reimburses the pension fund for all pension benefits received during such period of separation from city service in one lump sum payment, together with the interest on such total lump sum payment, computed according to the fund's assumed actuarial interest rate, plus any additional liability to the fund computed based on the actuarial tables approved by city council; provided further, that any such person meets the requisites in subsections 1. and 2. A person who is reemployed on and after September 1, 2011 and reimburses the fund pursuant to this section shall give written notice to pension administration office of his/her intent to make the reimbursement within ninety days after the date of his/her rehire. Such a person who fails to reimbursement shall become a member of the fund pursuant to the provisions of subsection H.4 below.

h. That section 2.64.120(H)(5) be amended to read as follows:

A person entitled to benefits under this section who first becomes a fund participant on or after September 1, 2011, and subsequently retires and is reemployed by the city, shall receive a monthly pension from the pension fund computed according to the formula set forth in Section 2.64.200 where the total complete years and months, and fractional parts of months, of service are used as a single multiplier to compute his monthly pension and shall include such service rendered before the date of his initial retirement and such service rendered after the date of his reemployment until the date of his second and final retirement; provided, that such person reimburses the pension fund for all pension benefits received during such period of separation from city service in one lump sum payment, together with the interest on such total lump sum payment, computed according to the pension fund's actuarial reimbursement analysis on the date of reimbursement; provided further, that any such person meets the requisites in subsections 1. and 2. Such a person who reimburses the fund pursuant to this section shall give written notice to the pension administration office of his intent to make the reimbursement within thirty days after the date of his rehire, and shall make the reimbursement within ninety days after the date of his rehire. Such a person who fails to timely submit the notice of

intent to make the reimbursement or fails to timely make the reimbursement shall become a new member of the fund pursuant in the same manner as provided in subsection H.4. above. The prior service credit period and any new service credit period(s) for such participant shall each be administered separately and not combined, and such separate pensions shall be subject to all applicable rules as contained this chapter regarding each separate pension.

i. That section 2.64.240(A) be amended by adding subsection (a) as follows:

In lieu of the normal retirement allowance, an employee may elect to have the actuarial equivalent of his/her retirement applied to a different retirement allowance, payable throughout life in accordance with one of the optional settlements specified in this section. This election shall be made at the time the employee applies for retirement.

j. That section 2.64.260 (C) (1) (b) be amended to read as follows:

If there be any interval during which the person was not employed by the city or other approved employer and the person had become entitled to the benefits under the plan but was not retired and had withdrawn his contributions under Section 2.64.220, the person shall only receive credit for the length of previous service for which he repays all withdrawn contributions to the fund plus interest thereon at seven and one-half percent per annum compounded annually. A person who is reemployed on or after September 1, 2011 and exercises the option under this section to repay all withdrawn contributions to the fund shall give written notice to the pension administration office of his intent to make the repayment within thirty (30) days after the date of his rehire, and shall make the repayment within ninety (90) days after the date of his rehire. Such a person who fails to timely submit the notice of intent to make the repayment or fails to timely make the repayment shall become a participant of the fund as applicable to persons first hired on or after September 1, 2011 and be subject to all applicable provisions of this chapter regarding the membership in and entitlement to the benefits under the plan regarding such a separate pension. If such option is exercised, all rights or benefits under the plan which depend upon length of service shall recognize the time of previous employment for which all withdrawn contributions have been made good.

k. That section 2.64.260 (C) (2) (b) be amended to read as follows:

If there be any interval during which the person was not employed by the city or other approved employer and the person had become entitled to the benefits under the plan but was not retired and had withdrawn his contributions under Section 2.64.220, the person shall only receive credit for the length of previous service for which he repays all withdrawn contributions to the fund plus interest thereon at seven and one-half percent per annum compounded annually. A person who exercises the option under this section to repay all withdrawn contributions to the fund shall give written notice to the pension administration office of his intent to

make the repayment within ninety (90) days after the date of his rehire. A person who fails to timely submit the notice of intent to make the repayment or fails to timely make the repayment shall become a participant of the fund as applicable to persons first hired on or after September 1, 2011 and be subject to all applicable provisions of this chapter regarding the membership in and entitlement to the benefits under the plan that starts from the date of his rehire. If such option is exercised, all rights or benefits under the plan which depend upon length of service shall recognize the time of previous employment for which all withdrawn contributions have been made good.

PASSED AND APPROVED this ____ day of _____, 2017.


CITY OF EL PASO

Mayor Oscar Leeser

ATTEST:


City Clerk

APPROVED AS TO FORM:



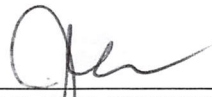
City Attorney

APPROVED AS TO CONTENT:




BOARD CHAIRMAN
CITY EMPLOYEES' PENSION FUND

APPROVED AS TO FORM:



BOARD COUNSEL
CITY EMPLOYEES' PENSION FUND

APPROVED AS TO FORM:



BOARD COUNSEL
CITY EMPLOYEES' PENSION FUND