

ORDINANCE NO. 64-2008

**AN ORDINANCE TERMINATING THE AUTOMATICALLY REPEATING ALLOWANCE OF INCREASED PRIOR AND CURRENT SERVICE ANNUITIES AND PROVIDING FOR INCREASED PRIOR AND CURRENT SERVICE ANNUITIES ON AN AD HOC BASIS UNDER THE ACT GOVERNING THE TEXAS MUNICIPAL RETIREMENT SYSTEM (SYSTEM) FOR RETIREES AND BENEFICIARIES OF DECEASED RETIREES OF THE CITY OF ABILENE BY AMENDING CHAPTER 2, ARTICLE III, SECTION 2 OF THE ABILENE CITY CODE, AND ESTABLISHING AN EFFECTIVE DATE FOR THE ORDINANCE.**

**WHEREAS**, the City Council of the City of Abilene has heretofore adopted an ordinance under Section 853.404 of Subtitle G of Title 8, Government Code, as amended (hereinafter referred to as the "TMRS Act"), authorizing the crediting of increases in prior and current service annuities to retirees and beneficiaries of deceased members on an automatically repeating annual basis; and

**WHEREAS**, Subsection (e)(4) of Section 853.404 provides that such an ordinance ceases to be in effect for future years if the City adopts an ordinance stating that the previous order under Section 853.404 will cease to be in effect for future years; and

**WHEREAS**, the City Council desires to adopt an ordinance under Subsection (e)(4) of Section 853.404 terminating the automatically repeating increases in prior and current service annuities to retirees and beneficiaries of deceased members and instead determine such increases on an ad hoc basis as part of the annual budget process;

**NOW THEREFORE: BE IT ORDAINED BY THE CITY COUNCIL OF ABILENE, TEXAS:**

**PART ONE:** That the City Council terminates the annually-repeating allowance of increases in prior and current service annuities to retirees and beneficiaries of deceased members as to all calendar years beginning January 1, 2009.

**PART TWO:** That for Fiscal Year 08-09 the City Council grants a one-time allowance of increase in prior and current service annuities to retirees and beneficiaries of deceased members based on 70% of the CPI calculated as set forth in Section 854.203 of the TMRS Act.

**PART THREE:** That the City Council reserves the right to determine such allowance of increase in prior and current service annuities to retirees and beneficiaries of deceased members on an ad hoc basis as part of the annual budget process, so long as such practice continues to be allowed by state law.

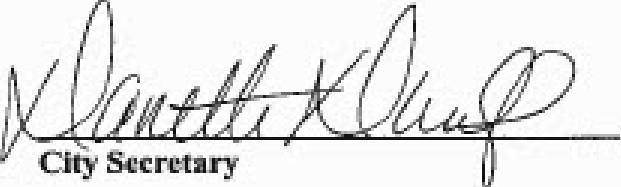
**PART FOUR:** That Chapter 2, Administration, Article III, Employee Benefits, Division 2. RETIREMENT, Sec. 2-103, of the Abilene City Code is amended as set forth in Exhibit "A", attached hereto and made a part of this ordinance for all purposes.

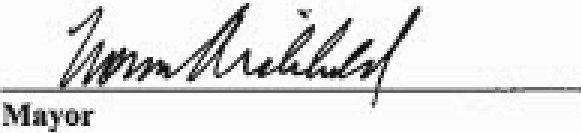
**PART FIVE:** Provided that a signed copy of this ordinance has been furnished to the Texas Municipal Retirement System prior to that date, this ordinance becomes effective on **January 1, 2009**.

Passed and approved on first reading this the 20<sup>th</sup> day of November 2008.

Passed and approved on final reading this the 4<sup>th</sup> day of December 2008.

**ATTEST:**

  
City Secretary

  
Mayor

**APPROVED:**  
  
City Attorney

## EXHIBIT A

Chapter 2, Administration, Article III, Employee Benefits, Division 2. RETIREMENT, Sec. 2-103, of the Abilene City Code is amended as set forth below:

### **DELETE:**

(f) The initial increase in retirement annuities hereunder shall be effective on January 1, 2005, subject to approval by the Board of Trustees of the System. An increase in retirement annuities may be made hereunder on January 1 of each subsequent year until this ordinance ceases to be in effect under subsection (e) of Section 853.404 of the TMRS Act, provided that, as to each subsequent year, the actuary for the System has made the determination set forth in subsection (d) of Section 853.404 of the TMRS Act, and provided further that, as to such subsequent year, the City has an ordinance in effect that provides for a simultaneous increase in updated service credits as that term is used in the TMRS Act.

### **ADD:**

(f) The initial ad hoc increase in retirement annuities hereunder shall be effective on January 1, 2009, subject to approval by the Board of Trustees of the System. An increase in retirement annuities may be made hereunder, on an ad hoc basis, provided the City has an ordinance in effect that provides for a simultaneous adoption of Updated Service Credit as provided for in the TMRS Act on January 1 of subsequent years, subject to review and approval by the City Council during the annual budget process.