

# **CITY OF HIGHLAND HAVEN, TEXAS**

## **ORDINANCE # 126**

October 3, 2023

### **AN ORDINANCE PROVIDING FOR PARTICIPATION IN THE TEXAS MUNICIPAL RETIREMENT SYSTEM AND ITS SUPPLEMENTAL DEATH BENEFITS FUND BY THE CITY OF HIGHLAND HAVEN, TEXAS; AND AUTHORIZING ACTUARIALLY DETERMINED CONTRIBUTION RATE PAYMENTS.**

**WHEREAS**, Subtitle G of Title 8, Texas Government Code, as amended (which subtitle is referred to as the "TMRS Act"), authorizes the governing body of the City of Highland Haven, Texas ("City") to elect to have one or more City departments participate in the Texas Municipal Retirement System (the "System"); and

**WHEREAS**, before adoption of this Ordinance, the City did not provide retirement benefits to its employees that were funded partly or wholly by the City; and

**WHEREAS**, the Board of Aldermen of the City finds that it is in the public interest for the City to have its employees participate in the System as provided in this Ordinance; now, therefore,

**BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF HIGHLAND HAVEN, TEXAS:**

#### **Section 1. Authorization of Participation in the Texas Municipal Retirement System Retirement Plan.**

(a) The Board of Aldermen of the City voluntarily elects to have all departments of the City now existing and those created in the future participate in the System and be subject to the provisions of the TMRS Act.

(b) Each person who is or becomes an employee of the City on or after the effective date of this Ordinance in a position that normally requires services of 1,000 hours or more per year ("Employee") shall become a member of the System ("Member") as a condition of their employment.

(c) The City authorizes that each Member will be eligible to retire and receive a service retirement annuity if they have at least 20 years of credited service in the System performed for one or more municipalities, including the City, that have adopted a like provision under TMRS Act §854.202(g).

(d) In accordance with TMRS Act §855.401, the rate of Member contributions to be made by the City to the System shall be 7% of each Employee's compensation (as defined by the TMRS Act).

(e) Each Employee who is eligible to receive "prior service credit," as described in TMRS Act §853.101, shall be granted prior service credit at the rate of 10 percent of the "base credit" of such Member, calculated in the manner prescribed in TMRS Act §853.105. The Mayor, or their designee, is hereby authorized and directed to ascertain and certify officially on behalf of the City for each current Employee of the participating departments (i) their number of months of prior service rendered to the City, and (ii) their average prior service compensation received (calculated pursuant to TMRS Act §853.104), and to make and execute all prior service certifications and reports which may be required of the City under the provisions of the TMRS Act or in compliance with the rules of the System's Board of Trustees ("Board").

(f) For each month of current service rendered to the City by each of its Employees who are Members of the System, the City elects to provide for each such Member at the time of his or her retirement, a sum that is 200% of such Member's accumulated contributions (as defined in the TMRS Act) for such month of employment, and said sum shall be a liability of the City's account in the benefit accumulation fund, pursuant to TMRS Act §§854.002 and 855.501.

(g) Pursuant to TMRS Act §855.407(g), the City shall make future normal and prior service contributions to its account in the System's benefit accumulation fund at no less than the combined rate of the total compensation paid by the City to its Employees who are Members of the System, as the System's actuary shall annually determine as the rate necessary to fund, within the amortization period applicable to the City under the TMRS Act, the costs of all benefits that are or may become chargeable to or are to be paid out of the City's account in said benefit accumulation fund, regardless of other TMRS Act provisions limiting the combined rate of City contributions.

(h) The Mayor, or their designee, is hereby directed to remit to the System's Board the City contributions and the amounts that shall be deducted from the compensation of Employees, all as required under the provisions of the TMRS Act and any applicable Board rules, and to make and execute all other reports and certifications which may be required of the City under the provisions of the TMRS Act, or in compliance with the rules and regulations of the System's Board.

## **Section 2. Authorization of Participation in the System Supplemental Death Benefits Fund.**

The City elects to participate in the System's Supplemental Death Benefits ("SDB") Fund for the purpose of providing in-service death benefits for each City Employee who is a Member, and for the purpose of providing post-retirement death benefits for each retiree whose last covered employment was as an Employee of the City, in the amounts and on the terms of TMRS Act §§852.004, 854.601 through 854.605, 855.314, 855.408 and 855.502 and applicable rules and regulations of the System's Board.

## **Section 3. Notification of Participation and Effective Date.**

(a) The Mayor, or their designee, is hereby directed to (i) notify the System's Board that the City has elected to participate and have the City's Employees participate in the System and in the SDB Fund; and (ii) provide the System with a copy of this Ordinance.

(b) Pursuant to TMRS Act §852.001(c), the City's participation in the System will begin on the first day of the second month after the Ordinance is received by the System.

Passed and approved October 3, 2023.

**ATTEST:**

  
City Secretary

**APPROVED:**

  
Mayor

