

ORDINANCE NO. 13318

AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE
PART II, CHAPTER 2, SECTIONS 2-400 THROUGH 2-404; 2-
406 THROUGH 2-409; 2-411; 2-419; 2-420; AND 2-422,
RELATIVE TO THE FIRE AND POLICE PENSION FUND.

WHEREAS, the Board of Directors of the Fire and Police Pension Fund have recommended to the City Council the adoption of certain changes relating to the Chattanooga Fire and Police Pension Fund to convert the title of Board of Directors to Board of Trustees, to change the duties and responsibilities of the Directors to the duties and responsibilities of Trustees and to convert the current Bank Trustee to a Custodian Bank and to change the duties and responsibilities of the Bank Trustee to the duties and responsibilities of a Custodian Bank, as set forth herein;

WHEREAS, the changes to the Chattanooga Fire and Police Pension Fund adopted herein are not inconsistent with sound actuarial principles, methods, and actuarial assumptions; and

WHEREAS, these changes shall not in any way decrease any vested financial benefits accrued by any participant or beneficiary of the Fire and Police Pension Fund.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA,
TENNESSEE,

SECTION 1 . That the Chattanooga City Code, Part II, Chapter 2, Sec. 2-400, is hereby amended by deleting it in its entirety and replacing it with the following language:

Sec. 2-400. Appropriation to pension fund of percentage of salaries; control of fund; investments.

The City Council of said city, after it has adopted a budget for the salaries of the departments of fire and police each year, shall add a sum to be fixed by a majority vote of the City Council of said city, which shall not be less than ten percent (10%) of each monthly payroll of those persons who are participants in the pension system, which sum so added shall be placed in the Fire and Police Pension Fund. Said pension and trust fund from all sources herein provided shall be paid to the Custodian Bank. The Custodian Bank shall be a national or state chartered bank, under a suitable bond, designated, from time to time, as Custodian Bank of this Fund by the Board of Trustees. The Custodian Bank shall hold said funds for the purposes stated in this Article. The funds coming into the hands of the Custodian Bank shall be under the direction and control of the Board of Trustees of the Fire and Police Pension Fund. Any and all investments made under the direction and control of the Board of Trustees, and all other acts done in the administration of the plan in good faith, shall be without liability on their part. (Priv. Acts 1949, Ch. 165, #2; Priv. Acts 1971, Ch. 149, #1; Priv. Acts 1972, Ch. 406, #1; Ord. No. 688, #1(7), 8-19-86; Ord. No. 9778, #14, 8-19-92; Ord. No. 11377, §1, 02-04-03)

SECTION 2 . That the Chattanooga City Code, Part II, Chapter 2, Sec. 2-402(e), is hereby amended by deleting it in its entirety and replacing it with the following language:

Sec. 2-402. Assessment of employees.

(e) The contribution amounts set forth in this Section 2-402 will be deducted and withheld from the salary of each Member during the time that the Member is employed by the Chattanooga Fire or Police Department. The city officer responsible for disbursing salary payments to Members will make the appropriate deductions and withholdings of contribution amounts and will pay all such amounts to the Fund at the time deducted and withheld to be kept by its Custodian Bank in accordance with the provisions of Section 2-400 of the Chattanooga City Code. (Priv. Acts 1949, Ch. 165, § 4; Priv. Acts 1953, Ch. 90, § 1; Priv. Acts 1961, Ch. 222, § 1; Priv. Acts 1969, Ch. 165, § 1; Priv. Acts 1972, Ch. 406, § 1; Ord. No. 8688, § 1(8), 8-19-86; Ord. No. 9778, § 1(5), 8-18-92; Ord. No. 10463, § 1(2), 8-20-96; Ord. No. 11012, § 1(1), 5-9-00; Ord. No. 11377, § 1, 02-04-03; Ord. No. 12813, § 1, 03-11-14)

SECTION 3 . That the Chattanooga City Code, Part II, Chapter 2, Sec. 2-403 is hereby amended by deleting it in its entirety and replacing it with the following language:

Sec. 2-403. Sum to be collected, paid over to Custodian Bank when employee contribution deducted.

An amount equal to the sum fixed by the City Council, as provided in Section 2-400 of this Article, shall be collected by the tax collector and treasurer and paid over to said Custodian Bank when the contribution by the employees as provided in Section 2-402 is deducted from the payroll. (Priv. Acts 1949, Ch. 165, § 7; Priv. Acts 1969, Ch. 82, § 6; Priv. Acts 1971, Ch. 149, § 1; Priv. Acts 1972, Ch. 406, § 1; Ord. No. 9778, § 1(12), 8-18-92; Ord. No. 11377, § 1, 02-04-03)

SECTION 4 . That the Chattanooga City Code, Part II, Chapter 2, Sec. 2-404, is hereby amended by deleting it in its entirety and replacing it with the following language:

Sec. 2-404. Proceeds from sale of unclaimed property to be placed in pension fund.

If any personal property comes into the possession of the departments of fire and police, if the owner cannot be found, or if no person shall claim such property after six (6) months, the property shall be sold, the net proceeds derived from the sale thereof shall be turned over to said Custodian Bank to be placed in said special Fire and Police Pension Fund, as provided in Sections 2-400 and 2-402 of this Article. (Priv. Acts 1949, Ch. 165, § 6; Ord. No. 11377, § 1, 02-04-03)

SECTION 5 . That the Chattanooga City Code, Part II, Chapter 2, Sec. 2-406, is hereby amended by deleting it in its entirety and replacing it with the following language:

Sec. 2-406. Board of Trustees of pension fund-created; membership; term of office; vacancies.

(a) There is hereby created a board to be known as the Board of Trustees of the Fire and Police Pension Fund, consisting of eight (8) members, three (3) of whom shall be active members from the fire department, three of whom shall be active members of the police department, one of whom shall be the mayor, by virtue of his office, or if the mayor so chooses, he may replace himself with a City employee knowledgeable of pensions, investments, and financial matters appointed by the mayor, and one of whom shall not be a City employee but

shall be knowledgeable of pensions, investments and financial matters to be appointed by the City council.

(b) The present Board of Trustees shall continue in office until their respective terms expire. The members to be appointed by the mayor and City council shall have terms contemporaneous with the mayor's and council's terms of office, but shall continue to serve until their replacements are appointed.

(c) Each year on the first Tuesday of September there shall be held an election for the purpose of electing one member of said Board from the fire department, and one member from the police department, for a term of three years. Said election shall be held at the fire department training center, at police headquarters, and at the Pension Fund office between the hours established by the Board of Trustees. The votes shall be counted openly and publicly and the firefighter and police officer who receives the highest number of votes shall be elected for a term of three (3) years. At no time shall more than one member of any one rank of the fire department be elected to serve as a member of said Board, and at no time shall more than one member of any one rank of the police department be elected to serve as a member of said Board.

(d) If a vacancy of a firefighter or police officer should occur in said Board, the vacancy shall be filled by the remaining firefighters and police officers on said Board for the unexpired term. If a vacancy should occur in the Board of the member appointed by the mayor or the City council, the vacancy shall be filled by the mayor or City council respectively. Priv. Acts 1949, Ch. 165, § 10; Priv. Acts 1972, Ch. 406, § 1; Ord. No. 8688, § 1 (14), 8-19-86; Ord. No. 9778, § 1(11), 8-18-92; Ord. No. 11377, § 1, 02-04-03; Ord. No. 11863, § 1, 8-8-06; Ord. No. 12155, § 1, 9-2-08)

SECTION 6 . That the Chattanooga City Code,

Part II, Chapter 2, Sec. 2-407, is hereby amended by deleting it in

its entirety and replacing it with the following language:

Sec. 2-407. Same organization; officers; compensation of secretary.

As soon as may be practical following such election, the Board shall meet and organize. There shall be elected for a term of one year from the membership a president, vice-president and secretary, who shall respectively discharge the customary duties of such office. The secretary and president shall receive pay for his services, amount of such pay to be fixed by the Board, commensurate with the amount of time and work required of him to fulfill his duties. The secretary shall maintain a record or document to be known as the list of retired firefighters, police officers and their spouses; which record or document shall give a full and complete record of all pensions being paid; the action of the Board in retiring any and all persons under this Article, including the names, dates of employment in the department, date of retirement, and the reasons therefore as to all persons retired. The compensation of each of the member of the Board

of Trustees, except the secretary and president, shall be fixed from time to time by the City council, City of Chattanooga, and paid from the Fund. The Board of Trustees shall pay from the Fund the fees, charges or expenses for consultants, actuary or legal services as well as such expenses as may be necessary for the administration of the Fund. (Priv. Acts 1949, Ch. 165, § 11; Ord. No. 8688, § 1 (15), 8-19-87; Ord. No. 9778, § 1(17), 8-18-92; Ord. No. 11377, § 1, 02-04-03)

SECTION 7 . That the Chattanooga City Code, Part II, Chapter 2, Sec. 2-408, is hereby amended by deleting it in its entirety and replacing it with the following language:

Sec. 2-408. Same-to-hear and decide applications for pensions and benefits.

The said Board of Trustees shall hear and decide all applications for pensions and death benefits under this Article, and its decision on such applications shall be final and conclusive. The said Board shall have the power to make and enforce such reasonable rules and regulations, not inconsistent with the Article, as in its opinion may be necessary or desirable for the carrying out of its duties and shall have the authority to interpret the provisions of the Article. (Priv. Acts 1949, Ch. 165, § 11; ord. No. 8688, § 1(15), 8-19-87; Ord. No. 9778, § 1(17), 8-18-92; Ord. No. 11377, § 1, 02-04-03)

SECTION 8 . That the Chattanooga City Code, Part II, Chapter 2, Sec. 2-409, is hereby amended by deleting it in its entirety and replacing it with the following language:

Sec. 2-409. Same-supervision of retired, disabled, etc., employees.

Upon organization of the Board of Trustees, the Board shall assume supervision of all members of the fire department and police department who have heretofore been placed on the existing pension roll, including the ones placed thereon as the result of a disability or injuries causing disability, and said Board, on the advice of competent physicians, shall determine whether or not such members have again become able to perform duties in the fire department and police department and are eligible for reinstatement. In the event the Board of Trustees shall determine, on the advice of competent physicians, that an employee retired on disability is again able to work, then such employee shall be re-employed and placed on active duty. (Priv. Acts 1949, Ch. 165, § 14; Ord. No. 8688, § 1(11), 8-19-86; Ord. No. 9778, § 1(16), 8-18-92; Ord. No. 11377, § 1, 02-04-03)

SECTION 9 . That the Chattanooga City Code, Part II, Chapter 2, Sec. 2-411(d), is hereby amended by deleting it in its entirety and replacing it with the following language:

Sec. 2-411. Service Retirement Pension; maximum pension benefits; death benefit.

(d) The City Council, City of Chattanooga, in its discretion, only after a recommendation of the Board of Trustees of the Fire and Police Pension Fund, upon advice by the Mayor, may, by ordinance, passed on three separate readings, amend any section of the Private Acts of 1949, as amended, or this Article XIII; provided that such amendment is not inconsistent with sound actuarial principles, methods, and actuarial assumptions and further provided that such amendment shall not in any way decrease any vested financial benefits accrued by any participant or beneficiary of the Fire and Police Pension Fund.

SECTION 10 . That the Chattanooga City Code, Part II, Chapter 2, Sec. 2-419(2), is hereby amended by deleting it in its entirety and replacing it with the following language:

Sec. 2-419. Definition of Terms.

2. The term "Board" shall mean the Board of Trustees of the Chattanooga Fire and Police Pension Fund.

SECTION 11 . That the Chattanooga City Code, Part II, Chapter 2, Sec. 2-420, is hereby amended by deleting it in its entirety and replacing it with the following language:

Sec. 2-420. City Court costs for benefit of Fire and Police Pension Fund.

The sum of five dollars (\$5.00) [shall] be added as and in the nature of court costs to the cost incurred in the City Court of the City of Chattanooga on all forfeitures of fines or monies for or on conviction for violation of any city ordinances and that said increase in court costs for the City Court of the City of Chattanooga be collected by the clerk of said court and paid over to the treasurer of the City of Chattanooga who will account for said funds and pay same over to the

Custodian Bank of the Fire and Police Pension Fund together with all other monies properly collected for credit to said Fund as herein before set out. (Priv. Acts 1969, Ch. 165, § 1; Ord. No. 11377, § 1, 02-04-03)

SECTION 12. That the Chattanooga City Code, Part II, Chapter 2, Sec. 2-422(c), is hereby amended by deleting it in its entirety and replacing it with the following language:

Sec. 2-422. Deferred Retirement Option Provision.

(c) A member shall elect to take the DROP by completing a written form provided by the Board of Trustees. If a member elects to take the DROP, his or her Service Retirement Pension shall be adjusted as follows: Upon retirement, the eligible member's Service Retirement Pension shall be calculated as provided in Section 2-411 above, and further adjusted as provided in Section 2-418, if applicable, except that, for purposes of the calculation under Section 2-411, the member's active service shall be reduced by the number of months elected by the member hereunder. The number of months elected by the member hereunder shall not exceed the lesser of: (A) the number of months of active service accumulated by the member beginning on the date the member attains twenty-five (25) years of active service and ending on the member's actual retirement date; and (B) thirty-six (36) months.


SECTION 13. BE IT FURTHER ORDAINED, That this Ordinance shall take effect immediately upon and after its passage.

Passed on second and final reading: June 5, 2018



CHAIRPERSON

APPROVED: DISAPPROVED:



MAYOR

/mem/v2