

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Mayor and Council

AGENDA DATE: 01/17/2024

CONTACT PERSON NAME AND PHONE NUMBER: Representative Art Fierro 915-212-0006

DISTRICT(S) AFFECTED: All Districts

STRATEGIC GOAL: Goal 6 SET THE STANDARD FOR SOUND GOVERNANCE AND FISCAL MANAGEMENT

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? **OR AUTHORIZE** the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Discussion and action directing the City Manager and City Attorney to collaborate with the City Of El Paso Employees Retirement Trust on proposed City Code section 2.64 amendments that were recommended by the Pension Board.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

N/A

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

N/A

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

Revision Summary

1. 2.64.030 – Board of trustees – Membership.

Additional language will be provided after existing subsection D to clarify that: (1) elections held pursuant to this section are open only to participants and not to the general public; (2) this election is not governed by the restrictions on City employees for municipal elections outlined in the City of El Paso’s Civil Service Rules; (3) the City Manager is authorized to develop rules related to the posting of election material in common areas at work and in verbal communications from candidates seeking participant votes.

2. 2.64.190(A) - Contributions.

The proposed deletion of this section that discusses the agreement signed by the City and a former City Manager on October 7, 2022, where the executive would be relieved of the obligation to make employee participant contributions to the Trust.

3. 2.64.200(B) - Retirement pensions.

2.64.200(B)(2)

Additional clarification language is being added to replace existing 2.64.200(B)(2) to avoid unintended consequences of retiree rehire and service break tying under 2.64.200(F). The language now provides that after a break in service, the Trust will use the last 3 years preceding retirement for which a participant received service credit, in order to avoid the unintended consequences of utilizing a singular test for benefits under 2.64.200(B)(2), which resulted in potential zero calculations for the current calculation.

2.64.200(B)(5)

Additional language is being added as new subsection (5), to provide to define “pensionable gross compensation” to mean gross income paid by the City to the Participant. This includes all forms of compensation such as: wages, salaries, bonuses, commissions, overtime pay, permanent cost of living adjustments, and any other payments made to the Participant in relation to their employment. It does not include vacation, sick time payout, one time payments or ad hoc payments. The Trust has historically not taken pension on one-time payment nor included such in compensation in pension calculations. This change is to clarify prior policy and eliminate confusion around the usage of the term in the municipal ordinance.

4. 2.64.205(A)(3)(b) - Proportionate retirement benefits.

Additional clarification language is being added to replace existing 2.64.205(A)(3)(b) to avoid unintended consequences of retiree rehire and service break tying under 2.64.200(F). The language now provides that after a break in service, the Trust will use the last 3 years preceding retirement for which a participant received service credit, in order to avoid the unintended consequences of utilizing a singular test for benefits under 2.64.200(B)(2), which resulted in potential zero calculations for the current calculation.

5. 2.64.210 - Disability pensions.

Additional language will be provided at the beginning of 2.64.210 to define “Disability” to mean having a significant physical, neurological, cognitive, or mobility limitation (or a combination of these) that is so severe that a person can't do a job they're qualified for by training and experience. It also means that medical treatment is unlikely to significantly improve the condition at the time the disability application is made.

- Subsection 2.64.210A will be replaced and amended to remove the following language “...as to incapacitate him in the performance of his job with the city or any other job, whether with the city or not, for which one is qualified by training and experience and which does not result in a significant reduction in pay and benefits...”
- Subsection 2.64.210B will be replaced and amended to remove the following language “...as to incapacitate him in the performance of his job with the city or any other job, whether with the city or not, for which one is qualified by training and experience and which does not result in a significant reduction in pay and benefits...”
- Subsection 2.64.210C(1) will be replaced and amended to provide additional clarification language to now state that no participant shall become entitled to receive a disability pension benefit under this section if the participant’s disability is a result of excessive and habitual use of illegal drugs, intoxicants or narcotics.
- Full deletion of subsection(s):
 - o C(3) of Section 2.64.210
 - o C(5) of Section 2.64.210
- Subsection 2.64.210E will be replaced and amended to state that a disabled individual may be required to submit verification on a prescribed schedule.

6. 2.64.230 - Death benefits of widows and children

Additional language be added to the ended of 2.64.230 will be provided to define “proving incapacitation.” The requirements for proving incapacitation may be met through a decree or court order with proper jurisdiction. In the absence of a decree or court order, the board may consider available evidence to determine the incapacity of an individual.

*Note, the word “widow” as used in Chapter 2.64 is currently defined to be gender neutral under subsection 2.64.230F.