

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, REGARDING THE CITY'S MUNICIPAL RETIREMENT SYSTEM BENEFITS ADOPTING ANNUALLY ACCRUING UPDATED SERVICE CREDITS AND TRANSFER UPDATED SERVICE CREDITS AND AN ANNUITY INCREASE, ALSO REFERRED TO AS COST OF LIVING ADJUSTMENTS (COLAS) FOR RETIREES AND THEIR BENEFICIARIES; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Mesquite, Texas (the "**City**"), elected to participate in the Texas Municipal Retirement System (the "**System**" or "**TMRS**") pursuant to Subtitle G of Title 8, Texas Government Code, as amended (which subtitle is referred to as the "**TMRS Act**"); and

WHEREAS, the City Council finds that it is in the public interest to authorize an annuity increase, also referred to as cost of living adjustment ("**COLA**") for retirees and their beneficiaries and, in accordance with TMRS Act § 853.404 and § 854.203(h), reauthorize annually accruing Updated Service Credits and provide transfer Updated Service Credits.

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

SECTION 1. Authorization of Annually Accruing Updated Service Credits and Transfer Updated Service Credits.

(a) As authorized by TMRS Act § 854.203(h) and § 853.404, and on the terms and conditions set out in TMRS Act §§ 853.401 through 853.404, the City authorizes each member of the System who on the first day of January of the calendar year immediately preceding the January 1 on which the Updated Service Credits will take effect (i) has current service credit or prior service credit in the System by reason of service to the City, (ii) has at least 36 months of credited service with the System, and (iii) is a TMRS-contributing employee of the City, to receive "Updated Service Credit," as that term is defined and calculated in accordance with TMRS Act § 853.402.

(b) The City authorizes and provides that each employee of the City who (i) is eligible for Updated Service Credits under Subsection (a) above, and (ii) who has unforfeited prior service credit and/or current service credit with another System-participating municipality or municipalities by reason of previous employment, shall be credited with Updated Service Credits pursuant to, calculated in accordance with, and subject to adjustment as set forth in TMRS Act § 853.601 (also known as "**Transfer USC**"), both as to the initial grant and all future grants under this Ordinance.

(c) The Updated Service Credit authorized and provided under this Ordinance shall be 100% of the "base Updated Service Credit" of the TMRS member calculated as provided in TMRS Act § 853.402.

(d) The Updated Service Credit authorized and provided by this Ordinance shall replace any Updated Service Credit, prior service credit, special prior service credit, or antecedent service credit previously authorized for part of the same service.

(e) The initial Updated Service Credit authorized by this Section shall be effective on January 1 immediately following the year in which this Ordinance is approved, subject to receipt by the System prior to such January 1 and approval by the Board of Trustees ("Board") of the System. Pursuant to TMRS Act § 853.404, the authorization and grant of Updated Service Credits in this Section shall be effective on January 1 of each subsequent year, using the same percentage of the "base Updated Service Credit" stated in Subsection (c) in computing Updated Service Credits for each future year, provided that, as to such subsequent year, the actuary for the System has made the determination set forth in TMRS Act § 853.404(d), until this Ordinance ceases to be in effect as provided in TMRS Act § 853.404(e).

SECTION 2. Authorization of Increase in Retirement Annuity, or COLA.

(a) On the terms and conditions set out in TMRS Act § 854.203, the City authorizes and provides for payment of the increase described by this Section to the annuities paid to retired City employees and beneficiaries of deceased City retirees (such increase also called "**cost of living adjustment**" or "**COLA**"). An annuity increased under this Section replaces any annuity or increased annuity previously granted to the same person.

(b) The amount of the annuity increase under this Section is computed as the sum of the prior service and current service annuities on the effective date of retirement of the person on whose service the annuities are based, multiplied by 50% of the percentage change in Consumer Price Index for All Urban Consumers, from December of the year immediately preceding the effective date of the person's retirement to the December that is 13 months before the effective date of the increase under this Section.

(c) An increase in an annuity that was reduced because of an option selection is reducible in the same proportion and in the same manner that the original annuity was reduced.

(d) If a computation under this Section does not result in an increase in the amount of an annuity, the amount of the annuity will not be changed under this Section.

(e) The amount by which an increase under this Section exceeds all previously granted increases to an annuitant is an obligation of the City and of its account in the benefit accumulation fund of the System.

(f) The increase in annuities authorized by this Section shall be effective on January 1 immediately following the year in which this Ordinance is approved, subject to receipt by the System prior to such January 1 and approval by the System's Board.

SECTION 3. All ordinances or portions thereof in conflict with the provisions of this ordinance, to the extent of such conflict, are hereby repealed. To the extent that such ordinances or portions thereof are not in conflict herewith, the same shall remain in full force and effect.

SECTION 4. Should any word, sentence, clause, paragraph, or provision of this ordinance be held to be invalid or unconstitutional, the validity of the remaining provisions of this ordinance shall not be affected and shall remain in full force and effect.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 4th day of December 2023.

Daniel Alemán, Jr.
Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

Sonja Land
City Secretary

David L. Paschall
City Attorney