

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT  
SECOND QUARTER MEETING  
April 29, 2019

The Joint Committee on Public Employee Retirement (JCPER) held its 2<sup>nd</sup> Quarter Meeting on Monday, April 29, 2019 at 12:00pm in Room 117A. Joint Committee members in attendance were Senators Bernskoetter, Wallingford, Gina Walsh (13), Williams and Representatives Paula Brown (70), Richard Brown (27), Pike, Runions, Sara Walsh (50). Senator Koenig, Senator Rizzo and Representative Shull (16) were not in attendance.

Following roll call, Chair Pike led the committee to vote on two action items covering approval of expenses to attend the Missouri Association of Public Employee Retirement Systems (MAPERS) conference and approval of staff salary increases. Chair Pike made a motion to approve the conference registration and reasonable expenses for JCPER members and staff to attend the MAPERS conference from July 10-12, 2019. Senator Walsh seconded the motion. The motion passed by acclamation of the committee. Next, the Executive Director, Michael Ruff, explained that the state budget contained a 3% pay increase for state employees, including JCPER staff in House Bill 12. Chair Pike made a motion to approve salary increases for the JCPER staff at the level included in the finalized state budget. Representative Richard Brown seconded the motion. The motion passed by acclamation of the committee.

Chair Pike turned the meeting over to the Executive Director who provided an update on the changes to the University of Missouri's retirement plan. The University's Board of Curators met on April 11 and voted to adopt a defined contribution plan for new employees hired on or after October 1, 2019. The Director had reviewed the University's changes to the plan document and pointed out three items to the JCPER. First, participants in the DC plan will have a three year vesting requirement. Second, the University has reserved the right to modify the plan in the future. Third, any former employee who is rehired on or after 10/1/19 will be placed in the DC plan.

The next discussion item was procurement action plans. The Director explained that the committee continues to receive procurement action plans and reports of annual progress. The packet included information from Affton Fire Protection District, Cedar Hill Fire Protection District, and LAGERS. As more procurement action plans are received in 2019, staff will continue to update the committee.

Next, the Director reviewed the provisions of Senate Bill 62 (2017). The bill contained provisions relating to multiple retirement systems including: CERF, CURP, Kansas City PSRS, MOSERS, MPERS, PSRS and PEERS, St. Louis PSRS, and the St. Louis Airport Police Officers. The Director explained that the St. Louis Public School Retirement System has challenged the bill in court. One of the challenges is that the bill violates the original purpose provision of the state

constitution. As a result, five of the retirement systems have intervened in the lawsuit. The Director explained that all of these plans are statutory plans and any changes will have to come via legislation from the General Assembly. The Director told the committee he will continue to update them as litigation unfolds. A motion hearing is scheduled for May 22.

The Director then provided an update on the ongoing litigation involving the Sheriff's Retirement System and the \$3 court surcharge that is the sole funding mechanism for the system. A bench trial is set for August 19, 2019. If the court strikes down the \$3 court surcharge, the retirement system will have no funding mechanism. The Director explained that he will keep the committee informed of any developments.

The next discussion item was the LAGERS retirement system's administration of legacy plans under section 70.621. Antonia Fire Protection District transferred its frozen plan to LAGERS on January 1, 2019. LAGERS has begun paying benefits to retirees. The Sedalia City Clerk contacted the Director in early April with a copy of a joinder agreement between the City and LAGERS to begin transferring the Police Retirement Fund to LAGERS. The City has a target transfer date of June 1, 2019. In addition, the City of Maplewood has a target transfer date of August 1, 2019 for its police & fire plan.

The Director then brought the committee's attention to the California Supreme Court decision in *Cal Fire Local 2881 v. California Public Employees' Retirement System*. The Director explained that California is often viewed as one of the most prominent and influential states in terms of pension law with what is commonly referred to as the "California Rule." The decision arose from a 2012 act of the California legislature that repealed a provision called "Additional Retirement Service" that permitted retirement system members to purchase a certain amount of service credit for time not worked. The California Supreme Court ruled that the repeal was permissible and did not address the "California Rule." The Director noted that other cases are pending that might result in a ruling on the "California Rule."

The next discussion item was the initiative petition relating to the proposed consolidation of St. Louis County and St. Louis City. The Director explained that the initiative petition could have an impact on the approximately thirty-four pension plans sponsored by the County, City, and various municipalities located within the County, including maintenance of obligations for pension and retirement and continuity of certain funding sources until obligations are satisfied or terminated.

For the legislative update, the JCPER reviewed five bills. House Bill 77, which exempted public community colleges from a provision of the PSRS working after retirement law, has been signed into law with an emergency clause and has already taken effect. Both Senate Bill

185 & House Bill 563, which address employer eligibility for MOSERS coverage for employees of the Missouri Housing Development Commission and the Environmental Improvement and Energy Resources Authority, have crossed chambers with SB 185 having been heard in the House Budget Committee and with HB 563 being on the Senate Third Read Calendar. House Bill 568, which was heard in the Senate Local Government and Elections Committee, would allow local government employers in LAGERS to vote to designate emergency telecommunicators, EMS, and jailers as public safety personnel. HB 723, which was heard in the Senate Health & Pensions Committee, would modify the divorce pop-up provision passed in 2017 to apply to divorces entered into before September 1, 2017 that meet certain criteria. Finally, the Director stated that SB 499 proposes a consolidation of MOSERS and MPERS. The issue of consolidation had previously been studied between 2004 and 2006 by the JCPER and by a task force established by Governor Blunt via executive order. The Director commented on the need for an actuarial study to determine the impact consolidation would have.

The JCPER's final discussion item was quarterly investment reporting for defined benefit plans for 1<sup>st</sup> quarter 2019. The first quarter ended March 31. At least 38 plans reported. Also, for nearly all plans, 12 month returns were positive in contrast to the 4<sup>th</sup> quarter 2018 returns. Stock market indices experienced double digit returns and in some cases exceeded the losses of 4th quarter 2018 returns.

With no further business to be presented, the committee adjourned.



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Michael Ruff  
Executive Director

# **JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT**

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## **2nd QUARTER MEETING**

**April 29, 2019**

**\*12pm— Room 117A (formerly Legislative Research)**

**\* Amended, time change to 12 p.m.**

## **AGENDA**

### **Roll Call**

**\*Action Item (Budgetary): Approval of Expenses for MAPERS conference, July 10-12, 2019**

**\*Action Item (Budgetary): Staff Salary Approval**

**Changes to University of Missouri Retirement, Disability & Death Benefit Plan**

**Procurement Action Plans, Sections 104.621, 105.702, 169.573, RSMo**

**Review of SB 62 (2017)**

**Plan Update: Sheriffs' Retirement System**

**LAGERS: Legacy plan administration under section 70.621**

**California Supreme Court decision in *Cal Fire Local 2881 v. California Public Employees' Retirement System***

**Initiative petition relating to St. Louis County and the City of St. Louis**

**Legislative Update**

**Quarterly Investment Reporting**

**MAPERS**

Missouri Association of Public Employee Retirement Systems

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## About MAPERS

# Missouri Association of Public Employee Retirement Systems

The Missouri Association of Public Employee Retirement Systems (MAPERS) began in October of 1987. Since that time, the organization has worked to bring together individuals and organizations interested in expanding their knowledge of pension and investment issues.

The purpose of the association is to provide education, information, and ideas to strengthen and protect Missouri's public employee retirement systems.

Plan Sponsor membership is open to trustees and administrators of all public pension funds in the State of Missouri.

Corporate membership is open to commercial financial and investment groups.

Associate membership is open to organizations affiliated with public retirement systems including unions, lobbying groups, etc.

MAPERS holds its Annual Conference each summer, attended by members from all three membership categories. The agenda includes nationally known speakers from the financial, legal and retirement arenas.

**MAPERS**

Missouri Association of Public Employee Retirement Systems

Select Page

**Overview****Agenda****Attendees****Sponsors****Lodging**

# 2019 MAPERS Conference Agenda

## SHOW-ME RETIREMENT SECURITY

**\*\*Tentative Agenda\*\***

Wednesday, July 10 – Salon A, 6<sup>th</sup> Floor

12:00-12:10 pm

**Opening Remarks** – Nicole Hamler, Dir. of Member Services,  
PSRS/PEERS MAPERS Board Vice President

12:10-12:50 pm

**Sunshine Law** – Heather Conway, PSRS

1:00-1:50 pm\*

**Investment Basics** – Brian Collett & Megan Loehner, LAGERS

1:00-1:50 pm\*

**Actuary Hot Topics** – Larry Langer & Bryan Hoge, Cavanaugh  
MacDonald Consulting

2:00-2:50 pm\*

**Actuary Basics** – Ken Alberts & Heidi Barry, Gabriel Roeder Smith and  
Co

2:00-2:50 pm\*

**Investment Hot Topics** – Kevin Leonard & William Forde, NEPC

2:50-3:15 pm

*Afternoon Break*

3:15-4:00 pm

**Fiduciary Responsibility** – Jason Palmer, PFM Asset Management

4:00-4:50 pm

**Capitol Report** – Michael Ruff, Executive Director, JPCER

5:30-7:00 pm

*Whole Hog Reception – Open to all Attendees/Family/Guests (Name  
Tags Required) – Salon B*

**\*Investment Basics participants will go to Actuary Basics and  
Actuary Hot Topics participants will go to Investment Hot Topics.  
Basics sessions will be in the Rosebud Room (7th Floor) and Hot  
Topics sessions will continue in Salon A.**

**Thursday, July 11 – Salon A, 6<sup>th</sup> Floor**

7:00-8:00 am

*Breakfast Buffet – Open to all Attendees/Family/Guests (Name Tags  
Required) – Salon B*

8:00-8:15 am

**Opening Remarks** – John Brewer, Director, Firemen's Ret. Sys. Of St.  
Louis, MAPERS Board President

8:15-9:00 am

**Economist** – TBD

9:00-9:50 am

**Behavioral Finance** – Jim Lyday, Managing Director, PensionMark

9:50-10:10 am

*Morning Break*

10:10-11:00 am

**Pension Trends** – Alex Brown, NASRA

11:00-12:00 pm

**Investment Speaker** – Tom Parker, BlackRock

12:00-1:00 pm

*Cheeseburgers in Paradise Lunch – Open to all Attendees/Family/Guests*

*(Name Tags Required) – Salon B*

1:00-2:15 pm

**Keynote: Inspirational/Motivational** – Lt. Col. Robert Darling

2:15-2:45 pm

*Afternoon Break*

2:45-3:45 pm

**Ethics** – Frank Bucaro

3:45-4:30 pm

**Cyber Security** – Scott Augenbaum

5:30-7:00 pm

*Surf, Turf and Pasta Reception – Open to all Attendees/Family/Guests*

*(Name Tags Required) – Salon B*

**Friday, July 12 – Salon A, 6<sup>th</sup> Floor**

7:00-8:15 am

*Breakfast Buffet – Open to all Attendees/Family/Guests (Name Tags*

*Required) – Salon B*

8:10-8:15 am

**Opening Remarks** – Jeff Kempker, Assistant Executive Director,  
LAGERS, MAPERS Board Secretary/Treasurer

8:15-9:15 am

**Generational Differences** – Hadyn Shaw

9:15-10:15 am

**TBD** – Carden Group

10:20-10:45 am

*Break*

10:45-11:30 am

**Strategic Planning Panel** – Bob Wilson, Dearld Snider, Jim Pyle

11:30-12:00 pm

**General Business Meeting** – John Brewer – MAPERS Board President

11:45-12:15 pm

*Lunch on the Run* – Open to all Attendees/Family/Guests – Registration  
Foyer

Not yet a member of MAPERS?

JOIN NOW

**Conference Registration**

**Corporate Member Registration**

*(i.e. Any person, firm or corporation, performing or providing professional services to a public retirement system.)*

Collected Rules and Regulations 530.010  
Retirement, Disability and Death Benefit Plan, and  
Additional Retirement Plan Document Amendments

Executive Summary

At the February 2019 meeting, the Board of Curators granted preliminary approval of conceptual changes to the current Retirement, Disability and Death Benefit Plan (RDD) to be applicable only for employees hired or rehired on or before September 30, 2019. The administration now proposes plan language to implement these conceptual changes. The proposed action item is to approve amendments to the language in Section 530.010 of the Collected Rules and Regulations for the RDD to provide that newly hired or rehired employees on or after October 1, 2019 will not accrue a benefit under the RDD and will be enrolled in the defined contribution plan upon hire. If previously vested, vesting will be honored under the new plan. Board materials include a side-by-side comparison of the current and proposed language in the RDD.

In addition to the RDD changes being proposed for employees hired or rehired on or after October 1, 2019, the administration is proposing amendments to the Employee Retirement Investment Plan (ERIP), 403(b) Tax Deferred Annuity Plan, and 457(b) Deferred Compensation Plan. If adopted as proposed, the defined contribution retirement plan will consist of an employer contribution match of one hundred percent (100%) of up to eight percent (8%) of an employee's eligible compensation, as defined in ERIP.

The proposed action item is to approve the language of the defined contribution plan, with University contributions to continue to be made on a tax deferred basis to a 401(a) plan. Employee voluntary contributions to achieve the University match will continue to be made to the existing 457(b) plan.

A copy of the plan changes are presented in the Board materials. Following is a summary of the defined contribution plan and proposed amendments:

- The university will match one hundred percent (100%) of employee's contributions up to a maximum of eight percent (8%) of the employee's eligible compensation, as defined in ERIP.
- Employees are automatically enrolled to defer eight percent (8%) of compensation. This can be updated anytime.
- All university contributions will continue to be held in a 401(a) plan.
- Vesting under the defined contribution plan requires three (3) years of service. For a non-vested employee with prior service, the university will honor prior service earned within the last five (5) years from the most recent date of hire.

Once vested, employees do not need to vest again if/when they return to university employment.

- The employee continues to be responsible for directing the investment selections for both the university contributions and any employee contributions.
- The university has the ability to alter university contributions, design and provision of the employer matching contribution in the future.
- Beginning October 1, 2019, a loan provision is proposed to limit the number of loans a participant can have active at one time to one (1), unless for a second loan for the purpose of the acquisition of a primary residence.
- As a plan enhancement and to create administrative efficiencies, the final payment to the deceased retiree will no longer be recalled, prorated to the date of passing and reissued, but instead the final payment will extend to the end of the month in which the retiree passes.
- Additional plan enhancements such as adjusted forfeiture usage language and adjustments to hardship provisions are proposed to ensure IRS compliance and guidance for plan administration.

# UNIVERSITY OF MISSOURI



## BOARD OF CURATORS MEETING AGENDA

**Thursday, April 11, 2019**  
Rolla, Missouri

All public session meetings to be held in the St. Pat's Ballroom A & B of the Havener Center, Missouri University of Science and Technology campus, Rolla, Missouri unless otherwise noted.

Board Committee meetings were held April 1, 3 and 4, 2019 in conjunction with the April 11, 2019 Board meeting.

### **THURSDAY, APRIL 11**

#### **BOARD OF CURATORS MEETING**

#### **10:00 A.M. PUBLIC SESSION - Call to Order**

##### **General Business**

##### Information

1. University of Missouri Board Chair's Report
2. University of Missouri System President's Report
3. Student Representative to the Board of Curators Report

##### Action

1. Approval, 2020 Board of Curators Meeting Calendar

##### Information

4. Review Consent Agenda

##### **Consent Agenda**

##### Action

1. Minutes, February 7, 2019 Board of Curators Meeting
2. Minutes, January 28, 29 and February 1, 2019 Board of Curators Committee Meetings held in conjunction with the February 7, 2019 Board Meeting
3. Degrees, Spring Semester 2019 for all Campuses
4. Sole Source – Nerlynx Breast Cancer Pharmaceutical – MUHC

5. Sole Source – Inhaled Nitric Oxide - MUHC
6. Naming Request, MU
7. Project Approval, Primary Care Clinic North, MU

**10:45 A.M. FINANCE CHAIR REPORT**

(Curators Brncic, Chatman, Layman, Steelman)

Finance Committee Chair Brncic to provide an overview of information and action items.

Information

1. Review Fiscal Year 2020 UM Five-year Plan & Operating Budget Update (Ryan Rapp)

Action

1. Five-Year Capital Plan for MU, MU Health Care, Missouri S&T, UMKC, and UMSL (Ryan Rapp)
2. Project Approval, MU Sinclair School of Nursing- Replacement Building (Ryan Rapp)
3. A/E Hire, UMKC Oak Place Apartments Repairs (Ryan Rapp)
4. Revised – Fiscal Year 2020 MU Student Housing and Dining Rates (Ryan Rapp)

**11:45 A.M. COMPENSATION AND HUMAN RESOURCES COMMITTEE**

(Curators Snowden, Brncic, Chatman, Farmer)

Compensation and Human Resources Committee Chair Snowden to provide time for discussion of committee business.

Information

1. Annual Benefits Report and Annual Retirement Plan Actuarial Report and Required Contribution, UM (written report only)

Action

1. Amendment, Collected Rules and Regulations 530.010, Retirement, Disability & Death Benefit Plan and Additional Retirement Plan Document Amendments (Marsha Fischer)

**12:10 P.M. Luncheon by Invitation for the Board of Curators, President, University of Missouri System Leaders, Missouri University of Science and Technology Faculty and Student Leaders**

Location: St. Pat’s Ballroom C, Havener Center

Topic: Advancing Student and Faculty Excellence at Missouri S&T

Presenters: Rebecca Marcolina, Katelyn Brinker, Larry Gragg and Wayne Huebner

**1:15 P.M. PUBLIC SESSION**

**1:15 P.M. ACADEMIC, STUDENT AFFAIRS AND RESEARCH AND ECONOMIC DEVELOPMENT CHAIR REPORT**

(Curators Chatman, Layman, Phillips, Snowden)

Academic, Student Affairs and Research and Economic Development Committee Chair Chatman to provide an overview of action items.

Action

1. UMSL New Degree Proposal, Bachelor of Science, Cybersecurity (Deans Charlie Hoffman and Andy Kersten)
2. UMSL New Degree Proposal, Master of Science, Cybersecurity, (Deans Charlie Hoffman and Andy Kersten)
3. MU New Degree Proposal, Bachelor of Science, Human Environmental Sciences, Emphasis in Family and Consumer Sciences (Dean James “Sandy” Rikoon)
4. Amendments, Collected Rules and Regulations 20.110, Department Chairs and 300.030.D.1.a (3) (Steve Graham)

**1:45 P.M. EXTERNAL AFFAIRS, MARKETING AND ADVANCEMENT CHAIR REPORT**

(Curators Farmer, Graham, Layman, Phillips)

External Affairs, Marketing and Advancement Committee Chair Farmer to provide an overview of information items.

Information

1. Committee Chair Remarks (Jamie Farmer)
2. President’s Update – (Mun Choi)
  - a. Endowment performance across the UM System
  - b. Annual giving performance across the UM System
  - c. Highlights of key gifts across the UM System
3. TPMC Marketing Plan and Name Recommendations (Kamrhan Farwell)

**AUDIT – INFORMATION ONLY REPORT**

A written report is provided in the materials for the Board’s information.

Information

1. UM Internal Audit and Consulting Quarterly Report

**2:00 P.M. HEALTH AFFAIRS CHAIR REPORT**

(Curators Graham, Phillips, Snowden, Steelman, Mr. Ashworth)

Health Affairs Committee Chair Graham to provide an overview of information and action item.

Information

1. MU Health Care Chief Executive Officer Update (Jonathan Curtright)
2. Strengthening Financial Outcomes and Cost Transformation (Michael Blair)
3. Driving Patient Quality and Safety (Dr. Stevan Whitt)
4. School of Medicine Interim Dean Update (Dr. Steven Zweig)
5. Developing the Academic Health Center Strategic Plan (Jeri Doty)

Action

1. Minutes Approval, January 29, 2019 Health Affairs Committee Meeting

**General Business** (approx. 2:30 pm)

Information

5. Missouri University of Science and Technology Campus Highlights – Interim Chancellor Maples
6. Critical Issue Discussion – Data Analytics to Achieve Excellence Throughout the UM System – Moderators: Jon Sundvold and Mun Choi. Participants: Chris Riley-Tillman and Matt Martens
7. Good and Welfare of the Board

Action

2. Resolution for Executive Session of the Board of Curators Meeting, April 11, 2019
3. Adjourn Board of Curators Meeting and Committee Meetings, Public Session

**4:15 PM Press Conference with Board of Curators Chair and UM System President** (time is approximate)  
Location: Carver Room, Havener Center

**4:30 P.M. BOARD OF CURATORS MEETING-EXECUTIVE SESSION** (time is approximate)  
Location: Silver and Gold Room, Havener Center

The Board of Curators will hold an executive session of the April 11, 2019 meeting, pursuant to Sections 610.021(1), 610.021(2), 610.021(3), 610.021(12), 610.021(13) and 610.021(14) RSMo, for consideration of certain confidential or privileged communications with University Counsel, personnel, property, litigation, contract items, and records protected by law, all as authorized by law and upon approval by resolution of the Board of Curators.

**5:45 P.M. Recess for Board of Curators Working Dinner (limited to closed session topics)**

**6:00 P.M. Working Dinner for the Board of Curators, President, General Counsel and Board Secretary (others by invitation)**

Time is approximate

Location: Silver and Gold Room, Havener Center

Upcoming meetings of the Board of Curators:

June 20- 21, 2019 Annual Meeting and Strategic Session - University of Missouri System – Columbia

September 25, 2019 Special Finance Committee Meeting – Kansas City

September 26, 2019 University of Missouri – Kansas City

November 21, 2019 University of Missouri – St. Louis

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE AFFTON FIRE PROTECTION DISTRICT OF ST. LOUIS COUNTY, MISSOURI, ADOPTING A PROCUREMENT ACTION PLAN POLICY IN COMPLIANCE WITH MISSOURI LAW**

WHEREAS, the Pension Board of Trustees (“Pension Board”) of Affton Fire Protection District (“District”), recommends to the Board of Directors to ratify the District’s compliance with Section 105.688 RSMo, which requires all retirement plans, such as the Affton Pension Plan, to develop a procurement action plan program for utilization of minorities and women money managers, brokers and investment counselors, and to report such progress annually to the Joint Committee on Public Employee Retirement (“JCPER”), and

WHEREAS, the Pension Board has recommended that the District adopt such a procurement action plan policy and place it into the Policy and Operations Manual, in a section to be named and numbered later, and

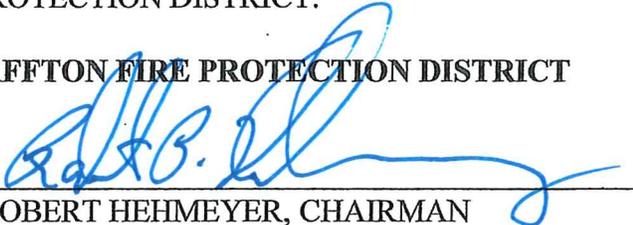
WHEREAS, the Board of Directors, being duly advised in the premises, and after review of a proposed policy, attached as Exhibit A and incorporated herein as though fully set forth in this Resolution, believes it is in the best interest of the District to adopt such Procurement Action Plan Policy.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AFFTON FIRE PROTECTION DISTRICT, ST. LOUIS COUNTY, MISSOURI, AS FOLLOWS:**

1. The Board of Directors hereby adopts the Procurement Action Plan Policy as set forth in Exhibit A, and a copy shall be sent to JCPER after passage of this Resolution.
2. This Resolution shall be in full force and effect from and after its passage according to law and shall be placed in the District’s Policy and Operations Manual.

ADOPTED THIS 19 DAY OF March, 2019, BY THE BOARD OF DIRECTORS OF THE AFFTON FIRE PROTECTION DISTRICT.

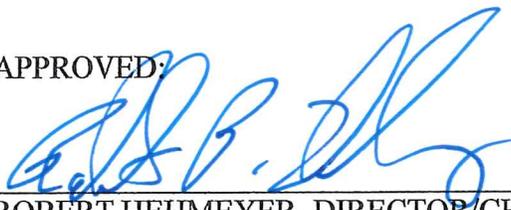
AFFTON FIRE PROTECTION DISTRICT

  
ROBERT HEHMEYER, CHAIRMAN  
BOARD OF DIRECTORS

ATTEST:

  
VICTORIA VILLANI, SECRETARY  
BOARD OF DIRECTORS  
(SEAL)

APPROVED:



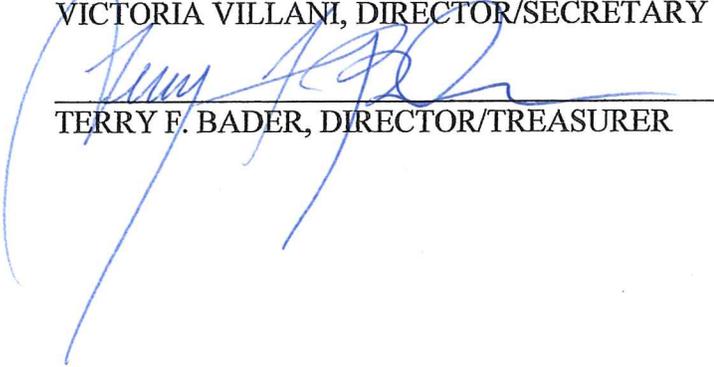
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ROBERT HEHMEYER, DIRECTOR/CHAIRMAN



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VICTORIA VILLANI, DIRECTOR/SECRETARY



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TERRY F. BADER, DIRECTOR/TREASURER

AFFTON FIRE PROTECTION DISTRICT		POLICY AND OPERATIONS MANUAL	
Category	Pension Policy	Section	300.505
Title	PROCUREMENT ACTION PLAN Money, Managers, Brokers, and Investment Counselors	Page	1 of 1
		Effective Date	
		Revision Date	

**Purpose:** Within the bounds of its fiduciary responsibilities under law, including but not limited to the provisions of Section 105.688 RSMo, the Pension Board of Trustees of Affton Fire Protection District desires to develop a procurement action plan to assure equal opportunities for minorities and women to participate as principals and employees in the area of money management, brokerage, and investment counseling services. To accomplish that goal the Board adopts the following plan:

- Policy:**
1. All contracts with money managers, brokerage firms, and investment counselors will require the contractor to maintain an affirmative action plan with respect to the employment of women and minorities.
  2. In soliciting proposals from money managers, brokerage firms, and investment counselors, the system will include, as a specification, the requirement of an affirmative action plan.
  3. In soliciting proposals from money managers, brokers, and investment counselors, the system will publicize the contract process in a manner likely to inform qualified firms owned by minorities and women.
  4. The Board of Trustees shall report its progress annually to the Joint Committee on Public Employee Retirement and the Missouri Minority Business Advocacy Commission.

**Adopted:** By the Pension Board of Trustees and Directors of Affton Fire Protection District this \_\_\_\_ day of \_\_\_\_\_, 2019.

AFFTON FIRE PROTECTION DISTRICT

\_\_\_\_\_  
Robert Hehmeyer, Pension Board Member/Director

\_\_\_\_\_  
Terry Bader, Pension Board Member/Director

\_\_\_\_\_  
Victoria Villani, Pension Board Member/Director

\_\_\_\_\_  
Travis Pehle, Pension Board Member

\_\_\_\_\_  
Steve Davila, Pension Board Member

	<h2>Cedar Hill Fire Protection District Policy</h2>	
Subject: Procurement Action Plan	Policy	
Effective Date: March 18 <sup>th</sup> , 2019	Revised:	
Approved: By the Board of Directors		

### Money Managers, Brokers, and Investors

Within the bounds of its fiduciary responsibilities under law, including but not limited to the provisions of Section 105.688 RSMo, the Board of Directors of Cedar Hill Fire Protection District desires to develop a procurement action plan to assure equal opportunities for minorities and women to participate as principals and employees in the areas of money management, brokerage, and investment counseling services. To accomplish that goal the Board adopts the following plan.

1. All contracts with money managers, brokerage firms, and investment counselors will require the contractor to maintain an affirmative action plan with respect to the employment of women and minorities.
2. In soliciting proposals from money managers, brokers, and investment counselors, the system will include, as a specification, the requirement of an affirmative action plan.
3. In soliciting proposals from money managers, brokers, and investment counselors, the system will publicize the contract process in a manner likely to inform qualified firms owned by minorities and women.
4. The Board of Directors shall report their progress annually to the Joint Committee on Public Employee Retirement and the Missouri Minority Business Advocacy Commission.



**MEMORANDUM**

TO: Joint Committee on Public Employee Retirement and  
Governor's Minority Advocacy Commission

FROM: Brian Collett, Chief Investment Officer

RE: Affirmative Action Policy and Procurement Action Plan Annual Report

DATE: March 26, 2019

Section 105.702, RSMo requires the Missouri Local Government Employees Retirement System (hereinafter referred to as "LAGERS") to make an annual report to the Governor's Minority Advocacy Commission and the Joint Committee on Public Employee Retirement regarding the progress made in the area of utilization of minority and women money managers, brokers, and investment counselors (hereinafter referred to as "firms"). The contents and attachment to this memorandum are intended to satisfy these statutory requirements.

LAGERS has adopted a Procurement Action Policy, a copy of which attached for your reference, which is reviewed annually by the LAGERS Board of Trustees. The policy requires firms retained by LAGERS to maintain an affirmative action plan.

LAGERS has a process to review all potential qualified firms that have an interest in working with LAGERS regardless of sex or minority status. LAGERS evaluate firms equally to determine those best qualified to provide requested services and maintains long-term relationships with the majority of our money managers, brokers and investment counselors. In 2013, LAGERS entered a relationship with real estate debt manager that qualifies as a women owned business. The firm currently manages approximately \$250 million for LAGERS. In 2015, LAGERS commenced a relationship with a real estate manager that qualifies as a minority owned business. This manager manages approximately \$30 million in LAGERS assets. Most recently, in 2017 LAGERS began a relationship with a real assets manager that qualifies as a minority owned business. This firm manages approximately \$50 million in LAGERS assets and we anticipate the relationship will continue to expand. LAGERS also maintains relationships with managers in which a woman or minority owner holds the largest single percentage of interest in the manager and exercises primary control over the firm's operations, but the firms do not currently meet the definition of a woman owned or minority owned business due to the overall ownership structure.

LAGERS anticipates continued opportunities for new relationships across our investment portfolio and our investments team will continue to engage with all qualified parties in the public and private investment space, including women or minority owned managers such as those highlighted above.

## Appendix II

### Procurement Action Policy

In accordance with Section 105.702 RSMo and within the bounds of its fiduciary responsibilities under law, including but not limited to the provisions of section 105.688 RSMo, the Board of Trustees of the Local Government Employees Retirement System (LAGERS) desires to take actions to assure equal opportunities for minorities and women in the areas of money management, brokerage, and investment counseling with respect to contracts involving LAGERS. To accomplish that goal, the Board adopts the following plan:

- 1) In soliciting proposals from money managers, brokers and investment counselors, LAGERS will include as a specification the requirement of an affirmative action plan.
- 2) In soliciting proposals from money managers, brokers and investment counselors, LAGERS will publicize the contract process in a manner like to inform qualified firms owned by minorities and women.
- 3) The Board will review this Procurement Action Policy annually after its adoption. Based on the review, the Board will determine whether any changes in the Policy are necessary. The results will be reported to the Joint Committee on Public Employee Retirement and to the Missouri Minority Advocacy Commission.
- 4) To qualify as a minority or women-owned firm, such firm shall:
  - a. be domiciled in the United States;
  - b. be owned or controlled by one or more individuals who collectively are women or who qualify as a minority as defined below. Ownership is classified as having a controlling interest in the firm of at least 51%; and
  - c. have such women or minority owners involved in the daily business operations of the firm.

As used in this policy, the term "minorities" includes, but is not necessarily limited to, African Americans, Native Americans, Hispanic Americans, and Asian Americans.

FIRST REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
CONFERENCE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR  
SENATE SUBSTITUTE FOR

# SENATE BILL NO. 62

99TH GENERAL ASSEMBLY  
2017

0457S.09T

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## AN ACT

To repeal sections 52.290, 86.207, 104.1091, 104.1205, 105.669, 137.280, 137.345, 140.100, 169.141, 169.324, 169.460, 169.490, 169.560, and 169.715, RSMo, and to enact in lieu thereof fifteen new sections relating to public employee retirement, with penalty provisions and delayed effective dates for certain sections.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 52.290, 86.207, 104.1091, 104.1205, 105.669, 137.280, 137.345, 140.100, 169.141, 169.324, 169.460, 169.490, 169.560, and 169.715, RSMo, are repealed and fifteen new sections enacted in lieu thereof, to be known as sections 52.290, 86.207, 104.1091, 104.1092, 104.1205, 105.669, 137.280, 137.345, 140.100, 169.141, 169.324, 169.460, 169.490, 169.560, and 169.715, to read as follows:

52.290. 1. In all counties except counties having a charter form of government before January 1, 2008, and any city not within a county, the collector shall collect on behalf of the county a fee for the collection of delinquent and back taxes of ~~[seven]~~ **nine** percent on all sums collected to be added to the face of the tax bill and collected from the party paying the tax. ~~[Two-sevenths]~~ **Of the nine percent** of the fees collected pursuant to the provisions of this section, **two-ninths** shall be paid into the county general fund, ~~[two-sevenths of the fees collected pursuant to the provisions of this section]~~ **two-ninths** shall be paid into the tax maintenance fund of the county as required by section 52.312,

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

10 and [three-sevenths of the fees collected pursuant to the provisions of this  
11 section] **five-ninths** shall be paid into the county employees' retirement fund  
12 created by sections 50.1000 to 50.1200. Notwithstanding provisions of law to the  
13 contrary, an authorization for collection of a fee for the collection of delinquent  
14 and back taxes in a county's charter, at a rate different than the rate allowed by  
15 law, shall control.

16         2. In all counties having a charter form of government, other than any  
17 county adopting a charter form of government after January 1, 2008, and any city  
18 not within a county, the collector shall collect on behalf of the county and pay into  
19 the county general fund a fee for the collection of delinquent and back taxes of  
20 two percent on all sums collected to be added to the face of the tax bill and  
21 collected from the party paying the tax except that in a county with a charter  
22 form of government and with more than two hundred fifty thousand but less than  
23 seven hundred thousand inhabitants, the collector shall collect on behalf of the  
24 county a fee for the collection of delinquent and back taxes of three percent on all  
25 sums collected to be added to the face of the tax bill and collected from the party  
26 paying the tax. If a county is required by section 52.312 to establish a tax  
27 maintenance fund, one-third of the fees collected under this subsection shall be  
28 paid into that fund; otherwise, all fees collected under the provisions of this  
29 subsection shall be paid into the county general fund.

30         3. Such county collector may accept credit cards as proper form of  
31 payment of outstanding delinquent and back taxes due. No county collector may  
32 charge a surcharge for payment by credit card.

86.207. 1. Except as provided herein, all persons who become policemen  
2 and all policemen who enter or reenter the service of any city not within a county  
3 after the first day of October, 1957, become members **of the system** as a  
4 condition of their employment and **during the period of their membership**  
5 shall receive no pensions or retirement allowance from any other pension or  
6 retirement system supported wholly or in part by the city not within a county or  
7 the state of Missouri, nor shall they be required to make contributions under any  
8 other pension or retirement system of the city not within a county or the state of  
9 Missouri for the same period of service[, anything to the contrary  
10 notwithstanding. Any employee of a city not within a county who is earning  
11 creditable service in a retirement plan established by said city under section  
12 95.540 and subsequently becomes a policeman may elect to remain a member of  
13 said retirement plan and shall not be required to become a member of a police

14 retirement system established under section 86.200. However,]. **Officers**  
15 **employed by a city not within a county and occupying the position of**  
16 **"Airport Police Officer" shall not be required to become members as a**  
17 **condition of their employment.** An employee of a city not within a county  
18 who is earning creditable service in a retirement plan established by said city  
19 under section 95.540 and who subsequently becomes a policeman may elect to  
20 transfer [membership and] creditable service to the police retirement system  
21 created under [section] **sections 86.200 to 86.366.** Such transfers are subject  
22 to the conditions and requirements contained in section 105.691 and are also  
23 subject to any existing agreements between the said retirement plans[; provided  
24 however, transfers completed prior to January 1, 2016, shall occur without regard  
25 to the vesting requirements of the receiving plan contained in section 105.691].  
26 As part of the transfer process described herein, the respective retirement plans  
27 may require the employee to acknowledge and agree as a condition of transfer  
28 that any election made under this section is irrevocable, constitutes a waiver of  
29 any right to receive retirement and disability benefits except as provided by the  
30 police retirement system, and that plan terms may be modified in the future.

31         2. If any member ceases to be in service for more than one year unless the  
32 member has attained the age of fifty-five or has twenty years or more of  
33 creditable service, or if the member withdraws the member's accumulated  
34 contributions or if the member receives benefits under the retirement system or  
35 dies, the member thereupon ceases to be a member; except in the case of a  
36 member who has served in the Armed Forces of the United States and has  
37 subsequently been reinstated as a policeman. A member who has terminated  
38 employment as a police officer, has actually retired and is receiving retirement  
39 benefits under the system shall be considered a retired member.

40         3. A reserve officer shall not be considered a member of the system for the  
41 purpose of determining creditable service, nor shall any contributions be due. A  
42 reserve officer shall not be entitled to any benefits from the system other than  
43 those awarded when the reserve officer originally retired under section 86.250,  
44 nor shall service as a reserve officer prohibit distribution of those benefits.

104.1091. 1. Notwithstanding any provision of the year 2000 plan to the  
2 contrary, each person who first becomes an employee on or after January 1, 2011,  
3 shall be a member of the year 2000 plan subject to the provisions of this section.

4         2. A member's normal retirement eligibility shall be as follows:

5         (1) The member's attainment of at least age sixty-seven and the

6 completion of at least ten years of credited service; or the member's attainment  
7 of at least age fifty-five with the sum of the member's age and credited service  
8 equaling at least ninety; or, in the case of a member who is serving as a  
9 uniformed member of the highway patrol and subject to the mandatory retirement  
10 provisions of section 104.081, such member's attainment of at least age sixty or  
11 the attainment of at least age fifty-five with ten years of credited service;

12 (2) For members of the general assembly, the member's attainment of at  
13 least age sixty-two and the completion of at least three full biennial assemblies;  
14 or the member's attainment of at least age fifty-five with the sum of the member's  
15 age and credited service equaling at least ninety;

16 (3) For statewide elected officials, the official's attainment of at least age  
17 sixty-two and the completion of at least four years of credited service; or the  
18 official's attainment of at least age fifty-five with the sum of the official's age and  
19 credited service equaling at least ninety.

20 3. A vested former member's normal retirement eligibility shall be based  
21 on the attainment of at least age sixty-seven and the completion of at least ten  
22 years of credited service.

23 4. A temporary annuity paid pursuant to subsection 4 of section 104.1024  
24 shall be payable if the member has attained at least age fifty-five with the sum  
25 of the member's age and credited service equaling at least ninety; or in the case  
26 of a member who is serving as a uniformed member of the highway patrol and  
27 subject to the mandatory retirement provisions of section 104.081, the temporary  
28 annuity shall be payable if the member has attained at least age sixty, or at least  
29 age fifty-five with ten years of credited service.

30 5. A member, other than a member who is serving as a uniformed member  
31 of the highway patrol and subject to the mandatory retirement provisions of  
32 section 104.081, shall be eligible for an early retirement annuity upon the  
33 attainment of at least age sixty-two and the completion of at least ten years of  
34 credited service. A vested former member shall not be eligible for early  
35 retirement.

36 6. The provisions of subsection 6 of section 104.1021 and section 104.344  
37 as applied pursuant to subsection 7 of section 104.1021 and section 104.1090 shall  
38 not apply to members covered by this section.

39 7. The minimum credited service requirements of five years contained in  
40 sections 104.1018, 104.1030, 104.1036, and 104.1051 shall be ten years for  
41 members covered by this section. The normal and early retirement eligibility

42 requirements in this section shall apply for purposes of administering section  
43 104.1087.

44         8. A member shall be required to contribute four percent of the member's  
45 pay to the retirement system, which shall stand to the member's credit in his or  
46 her individual account with the system, together with investment credits thereon,  
47 for purposes of funding retirement benefits payable under the year 2000 plan,  
48 subject to the following provisions:

49         (1) The state of Missouri employer, pursuant to the provisions of 26 U.S.C.  
50 Section 414(h)(2), shall pick up and pay the contributions that would otherwise  
51 be payable by the member under this section. The contributions so picked up  
52 shall be treated as employer contributions for purposes of determining the  
53 member's pay that is includable in the member's gross income for federal income  
54 tax purposes;

55         (2) Member contributions picked up by the employer shall be paid from  
56 the same source of funds used for the payment of pay to a member. A deduction  
57 shall be made from each member's pay equal to the amount of the member's  
58 contributions picked up by the employer. This deduction, however, shall not  
59 reduce the member's pay for purposes of computing benefits under the retirement  
60 system pursuant to this chapter;

61         (3) Member contributions so picked up shall be credited to a separate  
62 account within the member's individual account so that the amounts contributed  
63 pursuant to this section may be distinguished from the amounts contributed on  
64 an after-tax basis;

65         (4) The contributions, although designated as employee contributions,  
66 shall be paid by the employer in lieu of the contributions by the member. The  
67 member shall not have the option of choosing to receive the contributed amounts  
68 directly instead of having them paid by the employer to the retirement system;

69         (5) Interest shall be credited annually on June thirtieth based on the  
70 value in the account as of July first of the immediately preceding year at a rate  
71 of four percent. Effective June 30, 2014, and each June thirtieth thereafter, the  
72 interest crediting rate shall be equal to the investment rate that is published by  
73 the United States Department of Treasury, or its successor agency, for fifty-two  
74 week treasury bills for the relevant auction that is nearest to the preceding July  
75 first, or a successor treasury bill investment rate as approved by the board if the  
76 fifty-two week treasury bill is no longer issued. Interest credits shall cease upon  
77 termination of employment if the member is not a vested former

78 member. Otherwise, interest credits shall cease upon retirement or death;

79 (6) A vested former member or a former member who is not vested may  
80 request a refund of his or her contributions and interest credited thereon. If such  
81 member is married at the time of such request, such request shall not be  
82 processed without consent from the spouse. Such member is not eligible to  
83 request a refund if such member's retirement benefit is subject to a division of  
84 benefit order pursuant to section 104.1051. Such refund shall be paid by the  
85 system after ninety days from the date of termination of employment or the  
86 request, whichever is later, and shall include all contributions made to any  
87 retirement plan administered by the system and interest credited thereon. A  
88 vested former member may not request a refund after such member becomes  
89 eligible for normal retirement. A vested former member or a former member who  
90 is not vested who receives a refund shall forfeit all the member's credited service  
91 and future rights to receive benefits from the system and shall not be eligible to  
92 receive any long-term disability benefits; provided that any member or vested  
93 former member receiving long-term disability benefits shall not be eligible for a  
94 refund. If such member subsequently becomes an employee and works  
95 continuously for at least one year, the credited service previously forfeited shall  
96 be restored if the member returns to the system the amount previously refunded  
97 plus interest at a rate established by the board;

98 (7) The beneficiary of any member who made contributions shall receive  
99 a refund upon the member's death equal to the amount, if any, of such  
100 contributions and interest credited thereon less any retirement benefits received  
101 by the member unless an annuity is payable to a survivor or beneficiary as a  
102 result of the member's death. In that event, the beneficiary of the survivor or  
103 beneficiary who received the annuity shall receive a refund upon the survivor's  
104 or beneficiary's death equal to the amount, if any, of the member's contributions  
105 less any annuity amounts received by the member and the survivor or beneficiary.

106 9. The employee contribution rate, the benefits provided under the year  
107 2000 plan to members covered under this section, and any other provision of the  
108 year 2000 plan with regard to members covered under this section may be  
109 altered, amended, increased, decreased, or repealed, but only with respect to  
110 services rendered by the member after the effective date of such alteration,  
111 amendment, increase, decrease, or repeal, or, with respect to interest credits, for  
112 periods of time after the effective date of such alteration, amendment, increase,  
113 decrease, or repeal.

114           10. For purposes of members covered by this section, the options under  
115 section 104.1027 shall be as follows:

116           Option 1. A retiree's life annuity shall be reduced to a certain percent of  
117 the annuity otherwise payable. Such percent shall be eighty-eight and one half  
118 percent adjusted as follows: if the retiree's age on the annuity starting date is  
119 younger than sixty-seven years, an increase of three-tenths of one percent for  
120 each year the retiree's age is younger than age sixty-seven years; and if the  
121 beneficiary's age is younger than the retiree's age on the annuity starting date,  
122 a decrease of three-tenths of one percent for each year of age difference; and if the  
123 retiree's age is younger than the beneficiary's age on the annuity starting date,  
124 an increase of three-tenths of one percent for each year of age difference;  
125 provided, after all adjustments the option 1 percent cannot exceed ninety-four and  
126 one quarter percent. Upon the retiree's death, fifty percent of the retiree's  
127 reduced annuity shall be paid to such beneficiary who was the retiree's spouse on  
128 the annuity starting date or as otherwise provided by subsection 5 of this section.

129           Option 2. A retiree's life annuity shall be reduced to a certain percent of  
130 the annuity otherwise payable. Such percent shall be eighty-one percent adjusted  
131 as follows: if the retiree's age on the annuity starting date is younger than sixty-  
132 seven years, an increase of four-tenths of one percent for each year the retiree's  
133 age is younger than sixty-seven years; and if the beneficiary's age is younger than  
134 the retiree's age on the annuity starting date, a decrease of five-tenths of one  
135 percent for each year of age difference; and if the retiree's age is younger than the  
136 beneficiary's age on the annuity starting date, an increase of five-tenths of one  
137 percent for each year of age difference; provided, after all adjustments the option  
138 2 percent cannot exceed eighty-seven and three quarter percent. Upon the  
139 retiree's death one hundred percent of the retiree's reduced annuity shall be paid  
140 to such beneficiary who was the retiree's spouse on the annuity starting date or  
141 as otherwise provided by subsection 5 of this section.

142           Option 3. A retiree's life annuity shall be reduced to ninety-three percent  
143 of the annuity otherwise payable. If the retiree dies before having received one  
144 hundred twenty monthly payments, the reduced annuity shall be continued for  
145 the remainder of the one hundred twenty-month period to the retiree's designated  
146 beneficiary provided that if there is no beneficiary surviving the retiree, the  
147 present value of the remaining annuity payments shall be paid as provided under  
148 subsection 3 of section 104.620. If the beneficiary survives the retiree but dies  
149 before receiving the remainder of such one hundred twenty monthly payments,

150 the present value of the remaining annuity payments shall be paid as provided  
151 under subsection 3 of section 104.620.

152       Option 4. A retiree's life annuity shall be reduced to eighty-six percent of  
153 the annuity otherwise payable. If the retiree dies before having received one  
154 hundred eighty monthly payments, the reduced annuity shall be continued for the  
155 remainder of the one hundred eighty-month period to the retiree's designated  
156 beneficiary provided that if there is no beneficiary surviving the retiree, the  
157 present value of the remaining annuity payments shall be paid as provided under  
158 subsection 3 of section 104.620. If the beneficiary survives the retiree but dies  
159 before receiving the remainder of such one hundred eighty monthly payments, the  
160 present value of the remaining annuity payments shall be paid as provided under  
161 subsection 3 of section 104.620.

162       11. The provisions of subsection 6 of section 104.1024 shall not apply to  
163 members covered by this section.

164       **12. Effective January 1, 2018, a member who is not a statewide**  
165 **elected official or a member of the general assembly shall be eligible**  
166 **for retirement under this subsection subject to the following**  
167 **conditions:**

168       **(1) A member's normal retirement eligibility shall be based on**  
169 **the attainment of at least age sixty-seven and the completion of at least**  
170 **five years of credited service; or the member's attainment of at least**  
171 **age fifty-five with the sum of the member's age and credited service**  
172 **equaling at least ninety; or, in the case of a member who is serving as**  
173 **a uniformed member of the highway patrol and subject to the**  
174 **mandatory retirement provisions of section 104.081, such member's**  
175 **attainment of at least age sixty or the attainment of at least age fifty-**  
176 **five with five years of credited service;**

177       **(2) A vested former member's normal retirement eligibility shall**  
178 **be based on the attainment of at least age sixty-seven and the**  
179 **completion of at least five years of credited service;**

180       **(3) A temporary annuity paid under subsection 4 of section**  
181 **104.1024 shall be payable if the member has attained at least age fifty-**  
182 **five with the sum of the member's age and credited service equaling at**  
183 **least ninety; or, in the case of a member who is serving as a uniformed**  
184 **member of the highway patrol and subject to the mandatory retirement**  
185 **provisions of section 104.081, the temporary annuity shall be payable**

186 if the member has attained at least age sixty, or at least age fifty-five  
187 with five years of credited service;

188 (4) A member, other than a member who is serving as a  
189 uniformed member of the highway patrol and subject to the mandatory  
190 retirement provisions of section 104.081, shall be eligible for an early  
191 retirement annuity upon the attainment of at least age sixty-two and  
192 the completion of at least five years of credited service. A vested  
193 former member shall not be eligible for early retirement;

194 (5) The normal and early retirement eligibility requirements in  
195 this subsection shall apply for purposes of administering section  
196 104.1087;

197 (6) The survivor annuity payable under section 104.1030 for  
198 vested former members covered by this section shall not be payable  
199 until the deceased member would have reached his or her normal  
200 retirement eligibility under this subsection;

201 (7) The annual cost-of-living adjustment payable under section  
202 104.1045 shall not commence until the second anniversary of a vested  
203 former member's annuity starting date for members covered by this  
204 subsection;

205 (8) The unused sick leave credit granted under subsection 2 of  
206 section 104.1021 shall not apply to members covered by this subsection  
207 unless the member terminates employment after reaching normal  
208 retirement eligibility or becoming eligible for an early retirement  
209 annuity under this subsection; and

210 (9) The minimum credited service requirements of five years  
211 contained in sections 104.1018, 104.1030, 104.1036, and 104.1051 shall be  
212 five years for members covered by this subsection.

104.1092. 1. In lieu of retirement annuity benefits otherwise  
2 payable under the closed plan or year 2000 plan, any member who has  
3 terminated employment, is entitled to a deferred annuity, and has not  
4 yet reached normal retirement age or eligibility may make a one-time  
5 election to receive a lump sum payment equal to a percentage of the  
6 present value of such member's deferred annuity should a board choose  
7 to establish such a program by board rule pursuant to section 104.1063.

8 2. Any such election under subsection 1 of this section may be  
9 made by the member beginning on a date as established by the board  
10 under such program but not after May 31, 2018. After May 31, 2018, no

11 such election shall be made and retirement annuity benefits shall only  
12 be paid as otherwise provided by law under this chapter.

13       **3. Any such member making such election under subsection 1 of**  
14 **this section shall forfeit all such member's creditable or credited**  
15 **service and future rights to receive retirement annuity benefits from**  
16 **the system under this chapter and shall not be eligible to receive any**  
17 **long-term disability benefits. If such member subsequently becomes an**  
18 **employee, such member shall be considered a new employee with no**  
19 **prior credited service and shall be subject to the provisions of section**  
20 **104.1091.**

104.1205. The board of trustees of the Missouri state employees'  
2 retirement system shall:

3       (1) Establish a defined contribution plan for outside employees which,  
4 among other things, provides for immediate vesting;

5       (2) Select a third-party administrator to provide such services as the  
6 board determines to be necessary for the proper administration of the defined  
7 contribution plan;

8       (3) Select the investment products which shall be made available to the  
9 participants in the defined contribution plan;

10       (4) Annually establish the contribution rate used for purposes of  
11 subsection 3 of section 104.1066 for employees of institutions who are other than  
12 outside employees, which shall be done by considering all such employees to be  
13 part of the general employee population within the Missouri state employees'  
14 retirement system;

15       (5) Establish the contribution rate for outside employees which shall be  
16 equal to [one] six percent of payroll [less than the normal cost contribution rate  
17 established pursuant to subdivision (4) of this section; and];

18       **(6) Require outside employees hired on or after July 1, 2018, to**  
19 **contribute two percent of the employee's pay to the defined**  
20 **contribution plan which shall be credited to a separate account within**  
21 **the outside employee's individual account. The employing institution,**  
22 **pursuant to the provisions of 26 U.S.C. Section 414(h)(2), shall pick up**  
23 **and pay such contributions. The contributions so picked up shall be**  
24 **treated as employer contributions for purposes of determining the**  
25 **outside employee's pay that is includable in the outside employee's**  
26 **gross income for federal income tax purposes. The outside employee's**

27 contributions picked up by the employing institution shall be:

28 (a) Paid from the same source of funds used for the payment of  
29 pay to an outside employee. A deduction shall be made from each  
30 outside employee's pay equal to the amount of the outside employee's  
31 contributions picked up by the employing institution; and

32 (b) Paid by the employing institution in lieu of the contributions  
33 by the outside employee, although designated as employee  
34 contributions. The outside employee shall not have the option of  
35 choosing to receive the contributed amounts directly instead of having  
36 them paid by the employing institution to the defined contribution  
37 plan;

38 (7) Establish such rules and regulations as may be necessary to carry out  
39 the purposes of this section; and

40 (8) Allow outside employees to contribute to a supplemental  
41 account established by the employer. Such employees may elect to  
42 change the contribution rate in accordance with the terms of the  
43 supplemental account.

105.669. 1. Any participant of a plan who is [found guilty] **convicted** of  
2 a felony offense listed in subsection 3 of this section, which is committed in direct  
3 connection with or directly related to the participant's duties as an employee on  
4 or after August 28, 2014, shall not be eligible to receive any retirement benefits  
5 from the respective plan based on service rendered on or after August 28, 2014,  
6 except a participant may still request from the respective retirement system a  
7 refund of the participant's plan contributions, including interest credited to the  
8 participant's account.

9 2. [Upon a finding of guilt, the court shall forward a notice of the court's  
10 finding to] **The employer of any participant who is charged or convicted**  
11 **of a felony offense listed in subsection 3 of this section, which is**  
12 **committed in direct connection with or directly related to the**  
13 **participant's duties as an employee on or after August 28, 2014, shall**  
14 **notify** the appropriate retirement system in which the offender was a  
15 participant[. The court shall also make a determination on the value of the  
16 money, property, or services involved in committing the offense] **and provide**  
17 **information in connection with such charge or conviction.** The plans  
18 shall take all actions necessary to implement the provisions of this section.

19 3. [The finding of guilt for] **A felony conviction based on any of the**

20 following offenses or a substantially similar offense provided under federal law  
 21 shall result in the ineligibility of retirement benefits as provided in subsection 1  
 22 of this section:

23 (1) The offense of felony stealing under section 570.030 when such offense  
 24 involved money, property, or services valued at five thousand dollars or more [as  
 25 determined by the court];

26 (2) The offense of felony receiving stolen property under section 570.080,  
 27 **as it existed before January 1, 2017**, when such offense involved money,  
 28 property, or services valued at five thousand dollars or more [as determined by  
 29 the court];

30 (3) The offense of forgery under section 570.090;

31 (4) The offense of felony counterfeiting under section 570.103;

32 (5) The offense of bribery of a public servant under section 576.010; or

33 (6) The offense of acceding to corruption under section 576.020.

137.280. 1. Taxpayers' personal property lists, except those of merchants  
 2 and manufacturers, and except those of railroads, public utilities, pipeline  
 3 companies or any other person or corporation subject to special statutory  
 4 requirements, such as chapter 151, who shall return and file their assessments  
 5 on locally assessed property no later than April first, shall be delivered to the  
 6 office of the assessor of the county between the first day of January and the first  
 7 day of March each year and shall be signed and certified by the taxpayer as being  
 8 a true and complete list or statement of all the taxable tangible personal  
 9 property. If any person shall fail to deliver the required list to the assessor by  
 10 the first day of March, the owner of the property which ought to have been listed  
 11 shall be assessed a penalty added to the tax bill, based on the assessed value of  
 12 the property that was not reported, as follows:

13	Assessed Valuation			Penalty
14	0	-	\$1,000	[\$10.00] <b>\$15.00</b>
15	\$1,001	-	\$2,000	[\$20.00] <b>\$25.00</b>
16	\$2,001	-	\$3,000	[\$30.00] <b>\$35.00</b>
17	\$3,001	-	\$4,000	[\$40.00] <b>\$45.00</b>
18	\$4,001	-	\$5,000	[\$50.00] <b>\$55.00</b>
19	\$5,001	-	\$6,000	[\$60.00] <b>\$65.00</b>
20	\$6,001	-	\$7,000	[\$70.00] <b>\$75.00</b>
21	\$7,001	-	\$8,000	[\$80.00] <b>\$85.00</b>
22	\$8,001	-	\$9,000	[\$90.00] <b>\$95.00</b>

23                               \$9,001                               and above                               [~~\$100.00~~] **\$105.00**

24 The assessor in any county of the first classification without a charter form of  
25 government with a population of one hundred thousand or more inhabitants  
26 which contains all or part of a city with a population of three hundred fifty  
27 thousand or more inhabitants shall omit assessing the penalty in any case where  
28 he **or she** is satisfied the neglect is unavoidable and not willful or falls into one  
29 of the following categories. The assessor in all other political subdivisions shall  
30 omit assessing the penalty in any case where he **or she** is satisfied the neglect  
31 falls into at least one of the following categories:

- 32               (1) The taxpayer is in military service and is outside the state;  
33               (2) The taxpayer filed timely, but in the wrong county;  
34               (3) There was a loss of records due to fire or flood;  
35               (4) The taxpayer can show the list was mailed timely as evidenced by the  
36 date of postmark; [or]  
37               (5) The assessor determines that no form for listing personal property was  
38 mailed to the taxpayer for that tax year; or  
39               (6) The neglect occurred as a direct result of the actions or inactions of the  
40 county or its employees or contractors.

41               2. Between March first and April first, the assessor shall send to each  
42 taxpayer who was sent an assessment list for the current tax year, and said list  
43 was not returned to the assessor, a second notice that statutes require the  
44 assessment list be returned immediately. In the event the taxpayer returns the  
45 assessment list to the assessor before May first, the penalty described in  
46 subsection 1 of this section shall not apply. If said assessment list is not  
47 returned before May first by the taxpayer, the penalty shall apply.

48               3. It shall be the duty of the county commission and assessor to place on  
49 the assessment rolls for the year all personal property discovered in the calendar  
50 year which was taxable on January first of that year.

51               **4. If annual waivers exceed forty percent then by February first**  
52 **of each year, the assessor shall transmit to the county employees'**  
53 **retirement fund an electronic or paper copy of the log maintained**  
54 **under subsection 3 of section 50.1020 for the prior calendar year.**

137.345. 1. If any person, corporation, partnership or association neglects  
2 or refuses to deliver an itemized statement or list of all the taxable tangible  
3 personal property signed and certified by the taxpayer, as required by section  
4 137.340, by the first day of March, [they] **the taxpayer** shall be assessed a

5 penalty added to the tax bill, based on the assessed value of the property that  
6 was not reported, as follows:

7	Assessed Valuation			Penalty
8	0	-	\$1,000	[\$10.00] <b>\$15.00</b>
9	\$1,001	-	\$2,000	[\$20.00] <b>\$25.00</b>
10	\$2,001	-	\$3,000	[\$30.00] <b>\$35.00</b>
11	\$3,001	-	\$4,000	[\$40.00] <b>\$45.00</b>
12	\$4,001	-	\$5,000	[\$50.00] <b>\$55.00</b>
13	\$5,001	-	\$6,000	[\$60.00] <b>\$65.00</b>
14	\$6,001	-	\$7,000	[\$70.00] <b>\$75.00</b>
15	\$7,001	-	\$8,000	[\$80.00] <b>\$85.00</b>
16	\$8,001	-	\$9,000	[\$90.00] <b>\$95.00</b>
17	\$9,001		and above	[\$100.00] <b>\$105.00</b>

18 The assessor in any county of the first classification without a charter form of  
19 government with a population of one hundred thousand or more inhabitants  
20 which contains all or part of a city with a population of three hundred fifty  
21 thousand or more inhabitants shall omit assessing the penalty in any case where  
22 he **or she** is satisfied the neglect is unavoidable and not willful or falls into one  
23 of the following categories. The assessor in all other political subdivisions shall  
24 omit assessing the penalty in any case where he **or she** is satisfied the neglect  
25 falls into at least one of the following categories:

- 26 (1) The taxpayer is in military service and is outside the state;  
27 (2) The taxpayer filed timely, but in the wrong county;  
28 (3) There was a loss of records due to fire, theft, fraud or flood;  
29 (4) The taxpayer can show the list was mailed timely as evidenced by the  
30 date of postmark; [or]  
31 (5) The assessor determines that no form for listing personal property was  
32 mailed to the taxpayer for that tax year; or  
33 (6) The neglect occurred as a direct result of the actions or inactions of the  
34 county or its employees or contractors.

35 2. It shall be the duty of the county commission and assessor to place on  
36 the assessment rolls for the year all property discovered in the calendar year  
37 which was taxable on January first of that year.

38 3. Between March first and April first, the assessor shall send to each  
39 taxpayer who was sent an assessment list for the current tax year, and said list  
40 was not returned to the assessor, a second notice that statutes require that the

41 assessment list be returned immediately. In the event the taxpayer returns the  
42 assessment list to the assessor before May first, the penalty described in  
43 subsection 1 of this section shall not apply. If said assessment list is not  
44 returned before May first by the taxpayer, the penalty shall apply.

45 4. The assessor, in the absence of the owner failing to deliver a required  
46 list of property is not required to furnish to the owner a duplicate of the  
47 assessment as made.

48 5. In every instance where a taxpayer has appealed to the board of  
49 equalization or the state tax commission the assessment of the taxpayer's  
50 property, real or personal, and that appeal has been successful, then in the next  
51 following and all subsequent years the basis upon which the assessor must base  
52 future assessments of the subject property shall be the basis established by the  
53 successful appeal and any increases must be established from that basis.

140.100. 1. Each tract of land in the back tax book, in addition to the  
2 amount of tax delinquent, shall be charged with a penalty of eighteen percent of  
3 each year's delinquency except that the penalty on lands redeemed prior to sale  
4 shall not exceed two percent per month or fractional part thereof.

5 2. For making and recording the delinquent land lists, the collector and  
6 the clerk shall receive ten cents per tract or lot and the clerk shall receive five  
7 cents per tract or lot for comparing and authenticating such list.

8 **3. In all counties except counties having a charter form of**  
9 **government before January 1, 2008, and any city not within a county,**  
10 **in addition to the amount collected in subsection 2 of this section, for**  
11 **making and recording the delinquent land lists, the collector and the**  
12 **clerk shall each receive five dollars per tract or lot. The ten dollars**  
13 **shall be paid into the county employees' retirement fund established**  
14 **pursuant to section 50.1010.**

169.141. 1. Any person receiving a retirement allowance under sections  
2 169.010 to 169.140, and who elected a reduced retirement allowance under  
3 subsection 3 of section 169.070 with his **or her** spouse as the nominated  
4 beneficiary, may nominate a successor beneficiary under either of the following  
5 circumstances:

6 (1) If the nominated beneficiary precedes the retired person in death, the  
7 retired person may, upon remarriage, nominate the new spouse under the same  
8 option elected in the application for retirement;

9 (2) If the marriage of the retired person and the nominated beneficiary is

10 dissolved, and if the dissolution decree provides for sole retention by the retired  
11 person of all rights in the retirement allowance, the retired person may, upon  
12 remarriage, nominate the new spouse under the same option elected in the  
13 application for retirement.

14       2. Any nomination of a successor beneficiary under subdivision (1) or (2)  
15 of subsection 1 of this section must be made in accordance with procedures  
16 established by the board of trustees, and must be filed within ninety days of May  
17 6, 1993, or within [ninety days] **one year** of the remarriage, whichever later  
18 occurs. Upon receipt of a successor nomination filed in accordance with those  
19 procedures, the board shall adjust the retirement allowance to reflect actuarial  
20 considerations of that nomination as well as previous beneficiary and successor  
21 beneficiary nominations.

22       **3. Any person receiving a retirement allowance under sections**  
23 **169.010 to 169.140 who elected a reduced retirement allowance under**  
24 **subsection 3 of section 169.070 with his or her spouse as the nominated**  
25 **beneficiary may have the retirement allowance increased to the amount**  
26 **the retired member would be receiving had the retired member elected**  
27 **option 1 if:**

28       **(1) The marriage of the retired person and the nominated spouse**  
29 **is dissolved on or after September 1, 2017;**

30       **(2) The dissolution decree provides for sole retention by the**  
31 **retired person of all rights in the retirement allowance; and**

32       **(3) The person receives a retirement allowance under subsection**  
33 **3 of section 169.070.**

34 **Any such increase in the retirement allowance shall be effective upon**  
35 **the receipt of an application for such increase and a certified copy of**  
36 **the decree of dissolution that meets the requirements of this section.**

169.324. 1. The annual service retirement allowance payable pursuant  
2 to section 169.320 shall be the retirant's number of years of creditable service  
3 multiplied by a percentage of the retirant's average final compensation,  
4 determined as follows:

5       (1) A retirant whose last employment as a regular employee ended prior  
6 to June 30, 1999, shall receive an annual service retirement allowance payable  
7 pursuant to section 169.320 in equal monthly installments for life equal to the  
8 retirant's number of years of creditable service multiplied by one and three-  
9 fourths percent of the person's average final compensation, subject to a maximum

10 of sixty percent of the person's average final compensation;

11 (2) A retirant whose number of years of creditable service is greater than  
12 thirty-four and one-quarter on August 28, 1993, shall receive an annual service  
13 retirement allowance payable pursuant to section 169.320 in equal monthly  
14 installments for life equal to the retirant's number of years of creditable service  
15 as of August 28, 1993, multiplied by one and three-fourths percent of the person's  
16 average final compensation but shall not receive a greater annual service  
17 retirement allowance based on additional years of creditable service after August  
18 28, 1993;

19 (3) A retirant who was an active member of the retirement system at any  
20 time on or after June 30, 1999, and who either retires before January 1, 2014, or  
21 is a member of the retirement system on December 31, 2013, and remains a  
22 member continuously to retirement shall receive an annual service retirement  
23 allowance payable pursuant to section 169.320 in equal monthly installments for  
24 life equal to the retirant's number of years of creditable service multiplied by two  
25 percent of the person's average final compensation, subject to a maximum of sixty  
26 percent of the person's final compensation;

27 (4) A retirant who becomes a member of the retirement system on or after  
28 January 1, 2014, including any retirant who was a member of the retirement  
29 system before January 1, 2014, but ceased to be a member for any reason other  
30 than retirement, shall receive an annual service retirement allowance payable  
31 pursuant to section 169.320 in equal monthly installments for life equal to the  
32 retirant's number of years of creditable service multiplied by one and three-  
33 fourths percent of the person's average final compensation, subject to a maximum  
34 of sixty percent of the person's average final compensation;

35 (5) Notwithstanding the provisions of subdivisions (1) to (4) of this  
36 subsection, effective January 1, 1996, any retirant who retired on, before or after  
37 January 1, 1996, with at least twenty years of creditable service shall receive at  
38 least three hundred dollars each month as a retirement allowance, or the  
39 actuarial equivalent thereof if the retirant elected any of the options available  
40 under section 169.326. Any retirant who retired with at least ten years of  
41 creditable service shall receive at least one hundred fifty dollars each month as  
42 a retirement allowance, plus fifteen dollars for each additional full year of  
43 creditable service greater than ten years but less than twenty years (or the  
44 actuarial equivalent thereof if the retirant elected any of the options available  
45 under section 169.326). Any beneficiary of a deceased retirant who retired with

46 at least ten years of creditable service and elected one of the options available  
47 under section 169.326 shall also be entitled to the actuarial equivalent of the  
48 minimum benefit provided by this subsection, determined from the option chosen.

49         2. Except as otherwise provided in sections 169.331[, 169.580] and  
50 169.585, payment of a retirant's retirement allowance will be suspended for any  
51 month for which such person receives remuneration from the person's employer  
52 or from any other employer in the retirement system established by section  
53 169.280 for the performance of services except any such person other than a  
54 person receiving a disability retirement allowance under section 169.322 may  
55 serve as a nonregular substitute, part-time or temporary employee for not more  
56 than six hundred hours in any school year without becoming a member and  
57 without having the person's retirement allowance discontinued, provided that  
58 through such substitute, part-time, or temporary employment, the person may  
59 earn no more than fifty percent of the annual salary or wages the person was last  
60 paid by the employer before the person retired and commenced receiving a  
61 retirement allowance, adjusted for inflation. If a person exceeds such hours limit  
62 or such compensation limit, payment of the person's retirement allowance shall  
63 be suspended for the month in which such limit was exceeded and each  
64 subsequent month in the school year for which the person receives remuneration  
65 from any employer in the retirement system. **In addition to the conditions**  
66 **set forth above, the restrictions of this subsection shall also apply to**  
67 **any person retired and currently receiving a retirement allowance**  
68 **under sections 169.270 to 169.400, other than for disability, who is**  
69 **employed by a third party or is performing work as an independent**  
70 **contractor if the services performed by such person are provided to or**  
71 **for the benefit of any employer in the retirement system established**  
72 **under section 169.280. The retirement system may require the**  
73 **employer receiving such services, the third-party employer, the**  
74 **independent contractor, and the retirant subject to this subsection to**  
75 **provide documentation showing compliance with this subsection. If**  
76 **such documentation is not provided, the retirement system may deem**  
77 **the retirant to have exceeded the limitations provided for in this**  
78 **subsection.** If a retirant is reemployed by any employer in any capacity,  
79 whether pursuant to this section, or section 169.331[, 169.580,] or 169.585, or as  
80 a regular employee, the amount of such person's retirement allowance  
81 attributable to service prior to the person's first retirement date shall not be

82 changed by the reemployment. If the person again becomes an active member  
83 and earns additional creditable service, upon the person's second retirement the  
84 person's retirement allowance shall be the sum of:

85 (1) The retirement allowance the person was receiving at the time the  
86 person's retirement allowance was suspended, pursuant to the payment option  
87 elected as of the first retirement date, plus the amount of any increase in such  
88 retirement allowance the person would have received pursuant to subsection 3 of  
89 this section had payments not been suspended during the person's reemployment;  
90 and

91 (2) An additional retirement allowance computed using the benefit  
92 formula in effect on the person's second retirement date, the person's creditable  
93 service following reemployment, and the person's average final annual  
94 compensation as of the second retirement date. The sum calculated pursuant to  
95 this subsection shall not exceed the greater of sixty percent of the person's  
96 average final compensation as of the second retirement date or the amount  
97 determined pursuant to subdivision (1) of this subsection. Compensation earned  
98 prior to the person's first retirement date shall be considered in determining the  
99 person's average final compensation as of the second retirement date if such  
100 compensation would otherwise be included in determining the person's average  
101 final compensation.

102 3. The board of trustees shall determine annually whether the investment  
103 return on funds of the system can provide for an increase in benefits for retirants  
104 eligible for such increase. A retirant shall and will be eligible for an increase  
105 awarded pursuant to this section as of the second January following the date the  
106 retirant commenced receiving retirement benefits. Any such increase shall also  
107 apply to any monthly joint and survivor retirement allowance payable to such  
108 retirant's beneficiaries, regardless of age. The board shall make such  
109 determination as follows:

110 (1) After determination by the actuary of the investment return for the  
111 preceding year as of December thirty-first (the "valuation year"), the actuary shall  
112 recommend to the board of trustees what portion of the investment return is  
113 available to provide such benefits increase, if any, and shall recommend the  
114 amount of such benefits increase, if any, to be implemented as of the first day of  
115 the thirteenth month following the end of the valuation year, and first payable  
116 on or about the first day of the fourteenth month following the end of the  
117 valuation year. The actuary shall make such recommendations so as not to affect

118 the financial soundness of the retirement system, recognizing the following  
119 safeguards:

120 (a) The retirement system's funded ratio as of January first of the year  
121 preceding the year of a proposed increase shall be at least one hundred percent  
122 after adjusting for the effect of the proposed increase. The funded ratio is the  
123 ratio of assets to the pension benefit obligation;

124 (b) The actuarially required contribution rate, after adjusting for the  
125 effect of the proposed increase, may not exceed the then applicable employer and  
126 member contribution rate as determined under subsection 4 of section 169.350;

127 (c) The actuary shall certify to the board of trustees that the proposed  
128 increase will not impair the actuarial soundness of the retirement system;

129 (d) A benefit increase, under this section, once awarded, cannot be  
130 reduced in succeeding years;

131 (2) The board of trustees shall review the actuary's recommendation and  
132 report and shall, in their discretion, determine if any increase is prudent and, if  
133 so, shall determine the amount of increase to be awarded.

134 4. This section does not guarantee an annual increase to any retirant.

135 5. If an inactive member becomes an active member after June 30, 2001,  
136 and after a break in service, unless the person earns at least four additional  
137 years of creditable service without another break in service, upon retirement the  
138 person's retirement allowance shall be calculated separately for each separate  
139 period of service ending in a break in service. The retirement allowance shall be  
140 the sum of the separate retirement allowances computed for each such period of  
141 service using the benefit formula in effect, the person's average final  
142 compensation as of the last day of such period of service and the creditable  
143 service the person earned during such period of service; provided, however, if the  
144 person earns at least four additional years of creditable service without another  
145 break in service, all of the person's creditable service prior to and including such  
146 service shall be aggregated and, upon retirement, the retirement allowance shall  
147 be computed using the benefit formula in effect and the person's average final  
148 compensation as of the last day of such period of four or more years and all of the  
149 creditable service the person earned prior to and during such period.

150 6. Notwithstanding anything contained in this section to the contrary, the  
151 amount of the annual service retirement allowance payable to any retirant  
152 pursuant to the provisions of sections 169.270 to 169.400, including any  
153 adjustments made pursuant to subsection 3 of this section, shall at all times

154 comply with the provisions and limitations of Section 415 of the Internal Revenue  
155 Code of 1986, as amended, and the regulations thereunder, the terms of which are  
156 specifically incorporated herein by reference.

157 7. All retirement systems established by the laws of the state of Missouri  
158 shall develop a procurement action plan for utilization of minority and women  
159 money managers, brokers and investment counselors. Such retirement systems  
160 shall report their progress annually to the joint committee on public employee  
161 retirement and the governor's minority advocacy commission.

169.460. 1. Any member may retire and receive a normal pension upon  
2 his **or her** written application to the board of trustees setting forth at what time  
3 not less than fifteen days nor more than one hundred eighty days subsequent to  
4 the execution and filing of such application he **or she** desires to be retired;  
5 provided, that the member at the time so specified for his **or her** retirement  
6 either (a) shall have attained age sixty-five or (b) shall have attained an age  
7 which when added to the number of years of credited service of such member  
8 shall total a sum not less than [eighty-five] **eighty**. For purposes of computing  
9 any member's age under this section, the board shall, if necessary, add to his **or**  
10 **her** actual age any accumulated and unused days of sick leave included in his **or**  
11 **her** credited service.

12 2. Upon retirement [pursuant to] **under** subsection 1 of this section, a  
13 member shall receive an annual pension payable in monthly installments **in the**  
14 **following manner:**

15 **(1) A member hired prior to January 1, 2018, shall receive an**  
16 **annual pension payable in monthly installments** equal to his **or her**  
17 number of years of credited service multiplied by two percent of his **or her**  
18 average final compensation subject to a maximum pension of sixty percent of his  
19 **or her** average final compensation; **or**

20 **(2) A member hired for the first time on or after January 1, 2018,**  
21 **shall receive an annual pension payable in monthly installments equal**  
22 **to his or her number of years of credited service multiplied by one and**  
23 **three-fourths percent of such member's average final compensation**  
24 **subject to a maximum pension of sixty percent of the member's average**  
25 **final compensation.**

26 3. A member who is not eligible for normal pension pursuant to subsection  
27 1 of this section but who has attained age sixty and has five or more years of  
28 credited service may make application in the same manner as pursuant to

29 subsection 1 of this section for an early pension. His **or her** early pension shall  
30 be computed pursuant to subsection 2 of this section, but shall be reduced by five-  
31 ninths of one percent for each month such member's early retirement date  
32 precedes the earliest date he **or she** could have received a normal pension  
33 pursuant to subsection 1 of this section had his **or her** service continued.

34 4. Upon the written application of the member or of the employing board,  
35 any active member who has five or more years of credited service with such board  
36 and does not qualify for a normal pension pursuant to subsection 1 of this section  
37 may be retired by the board of trustees, not less than fifteen days and not more  
38 than one hundred eighty days next following the date of filing such application,  
39 and receive a disability pension, provided, that the medical board after a medical  
40 examination of such member or such member's medical records shall certify that  
41 such member is unable to further perform his **or her** duties due to mental or  
42 physical incapacity, and that such incapacity is likely to be permanent and that  
43 such member should be retired; or, provided the member furnishes evidence of the  
44 receipt of disability benefits under the federal Old Age, Survivors and Disability  
45 Insurance System of the Social Security Act. The determination of the board of  
46 trustees in the matter shall be final and conclusive. A member being retired  
47 pursuant to this subsection who has accumulated unused vacation and sick leave  
48 may elect to have the commencement of his **or her** disability pension deferred for  
49 more than one hundred eighty days during the period he **or she** is entitled to  
50 vacation and sick pay.

51 5. Upon retirement for disability, a member shall receive a disability  
52 pension until such time as he **or she** meets the requirements for a normal  
53 pension pursuant to subsection 1 of this section, at which time his **or her**  
54 disability pension will be deemed to be a normal pension. The member's  
55 disability pension shall be the larger of:

56 (1) A normal pension based on his **or her** credited service to the date of  
57 his **or her** retirement for disability and calculated as if he **or she** were age sixty-  
58 five; or

59 (2) One-fourth of his **or her** average final compensation; except that such  
60 benefit shall not exceed the normal pension which he **or she** would have received  
61 upon retirement if his **or her** service had continued and he **or she** had satisfied  
62 the eligibility requirements of subsection 1 of this section and had his **or her**  
63 final average compensation been unchanged.

64 6. Once each year during the first five years following retirement for

65 disability and once in every three-year period thereafter while receiving a  
66 disability pension, the board of trustees may, and shall, require any member  
67 receiving a disability pension who has not yet become eligible for a normal  
68 pension pursuant to subsection 1 of this section to undergo a medical examination  
69 at a place designated by the medical board or by a physician or physicians  
70 designated by such board. If any such member receiving a disability pension  
71 refuses to submit to such medical examination, his **or her** benefit may be  
72 discontinued until his **or her** withdrawal of such refusal, and if his **or her**  
73 refusal continues for one year, all rights in and to his **or her** pension may be  
74 revoked by the board of trustees.

75         7. If the board of trustees finds that any member receiving a disability  
76 pension is engaged in or is able to engage in a gainful occupation paying more  
77 than the difference between his **or her** disability pension plus benefits, if any,  
78 to which he **or she** and his **or her** family are eligible under the federal Old Age,  
79 Survivors and Disability Insurance System of the Social Security Act and the  
80 current rate of monthly compensation for the position he **or she** held at  
81 retirement, then the amount of his **or her** disability pension shall be reduced to  
82 an amount which together with the amount earnable by him **or her** shall equal  
83 such current rate of monthly compensation. The decisions of the board of trustees  
84 in regard to such modification of disability benefits shall be final and conclusive.

85         8. If any member receiving a disability pension is restored to service as  
86 an employee, he **or she** shall again become an active member of the retirement  
87 system and contribute thereunder. His **or her** credited service at the time of his  
88 **or her** retirement for disability shall be restored and the excess of his **or her**  
89 accumulated contributions at his **or her** retirement for disability over the total  
90 disability pension payments which he **or she** received shall be credited to his **or**  
91 **her** account.

92         9. If a member with fewer than five years credited service ceases to be an  
93 employee, except by death, he **or she** shall be paid the amount of his **or her**  
94 accumulated contributions in accordance with applicable provisions of the  
95 Internal Revenue Code.

96         10. If a member with five years or more credited service ceases to be an  
97 employee, except by death or retirement, he **or she** shall be paid on demand the  
98 amount of his **or her** accumulated contributions, or he **or she** may leave his **or**  
99 **her** accumulated contributions with the retirement system and be an inactive  
100 member and claim a retirement benefit at any time after he **or she** reaches the

101 minimum age for retirement, except that if such a member's accumulated  
102 contributions do not exceed the involuntary distribution limits under provisions  
103 of the Internal Revenue Code, the member must elect to become an inactive  
104 member within thirty days of employment separation to avoid application of the  
105 involuntary distribution provisions of the Internal Revenue Code. When an  
106 inactive member presents his **or her** valid claim to the board of trustees, he **or**  
107 **she** shall be granted a benefit at such time and for such amount as is available  
108 pursuant to subsection 2 or 3 of this section in accordance with the provisions of  
109 law in effect at the time his **or her** active membership ceased. The accumulated  
110 contributions of an inactive member may be withdrawn at any time upon ninety  
111 days' notice or such shorter notice as is approved by the board of trustees. If an  
112 inactive member dies before retirement, his **or her** accumulated contributions  
113 shall be paid to his **or her** designated beneficiary, if living, otherwise to the  
114 estate of the member. A member's accumulated contributions shall not be paid  
115 to him **or her** so long as he **or she** remains in service as an employee.

116         11. Any member upon retirement shall receive his **or her** pension payable  
117 throughout life subject to the provision that if his **or her** death occurs before he  
118 **or she** has received total benefits at least as large as his **or her** accumulated  
119 contributions at retirement, the difference shall be paid in one sum to his **or her**  
120 designated beneficiary, if living, otherwise to the estate of the retired member.

121         12. Prior to the date of retirement pursuant to subsection 2, 3, or 4 of this  
122 section, a member may elect to receive the actuarial equivalent of his **or her**  
123 pension in a lesser amount, payable throughout life under one of the following  
124 options with the provision that:

125             Option 1. Upon his **or her** death, his **or her** pension shall be continued  
126 throughout the life of and paid to his **or her** beneficiary, or

127             Option 2. Upon his **or her** death, one-half of his **or her** pension shall be  
128 continued throughout the life of and paid to his **or her** beneficiary, or

129             Option 3. Upon his **or her** death, his **or her** pension shall be continued  
130 throughout the life of and paid to his **or her** beneficiary, provided that in the  
131 event his **or her** designated beneficiary predeceases him **or her**, then his **or her**  
132 pension shall be adjusted effective the first day of the month following the month  
133 in which his **or her** designated beneficiary died to the amount determined  
134 pursuant to subsection 2 or 3 of this section at the time of his **or her** retirement,  
135 or

136             Option 4. Upon his **or her** death, one-half of his **or her** pension shall be

137 continued throughout the life of and paid to his **or her** beneficiary, provided that  
138 in the event his **or her** designated beneficiary predeceases him **or her**, then his  
139 **or her** pension shall be adjusted effective the first day of the month following the  
140 month in which his **or her** designated beneficiary died to the amount determined  
141 pursuant to subsection 2 or 3 of this section at the time of his **or her** retirement.

142       Option 5. Prior to age sixty-two the member will receive an increased  
143 pension, where the total pension prior to age sixty-two is approximately equal to  
144 the pension after age sixty-two plus the member's estimated federal Social  
145 Security benefit, provided that the reduced pension after age sixty-two is not less  
146 than one-half the pension the member could have received had no option been  
147 elected. A member may elect a combination of Option 1 and Option 5, or Option  
148 2 and Option 5. The survivor benefits payable to a beneficiary, other than the  
149 spouse of the retired member, under any of the foregoing options shall in no event  
150 exceed fifty percent of the actuarial equivalent of the pension determined  
151 pursuant to subsection 2 or 3 of this section at the time of retirement.

152       13. If an option has been elected pursuant to subsection 12 of this section,  
153 and both the retired member and beneficiary die before receiving total benefits  
154 as large as the member's accumulated contributions at retirement, the difference  
155 shall be paid to the designated beneficiary of the person last entitled to benefits,  
156 if living, otherwise to the estate of the person last entitled to benefits.

157       14. If an active member dies while an employee and with five or more  
158 years of credited service and a dependent of the member is designated as  
159 beneficiary to receive his **or her** accumulated contributions, such beneficiary  
160 may, in lieu thereof, request that benefits be paid under option 1, subsection 12  
161 of this section, as if the member had attained age sixty, if the member was less  
162 than sixty years of age at the time of his **or her** death, and had retired under  
163 such option as of the date of death, provided that under the same circumstances  
164 a member may provide by written designation that benefits must be paid  
165 pursuant to option 1 to such beneficiary. In addition to benefits received under  
166 option 1, subsection 12 of this section, a surviving spouse receiving benefits under  
167 this subsection shall receive sixty dollars per month for each unmarried  
168 dependent child of the deceased member who is under twenty-two years of age  
169 and is in the care of the surviving spouse; provided, that if there are more than  
170 three such unmarried dependent children one hundred eighty dollars shall be  
171 divided equally among them. A "dependent beneficiary" for the purpose of this  
172 subsection only shall mean either the surviving spouse or a person who at the

173 time of the death of the member was receiving at least one-half of his **or her**  
174 support from the member, and the determination of the board of trustees as to  
175 whether a person is a dependent shall be final.

176         15. In lieu of accepting the payment of the accumulated contributions of  
177 a member who dies after having at least eighteen months of credited service and  
178 while an employee, an eligible beneficiary or, if no surviving eligible beneficiary,  
179 the unmarried dependent children of the member under twenty-two years of age  
180 may elect to receive the benefits pursuant to subdivision (1), (2), (3), or (4) of this  
181 subsection. An "eligible beneficiary" is the surviving spouse, unmarried  
182 dependent children under twenty-two years of age or dependent parents of the  
183 member, if designated as beneficiary. A "dependent" is one receiving at least one-  
184 half of his **or her** support from the member at his **or her** death.

185         (1) A surviving spouse who is sixty-two years of age at the death of the  
186 member or upon becoming such age thereafter, and who was married to the  
187 member at least one year, may receive sixty dollars per month for life. A spouse  
188 may receive this benefit after receiving benefits pursuant to subdivision (2) of this  
189 subsection;

190         (2) A surviving spouse who has in his or her care an unmarried dependent  
191 child of the deceased member under twenty-two years of age may receive sixty  
192 dollars per month plus sixty dollars per month for each child under twenty-two  
193 years of age but not more than a total of two hundred forty dollars per month;

194         (3) If no benefits are payable pursuant to subdivision (2) of this  
195 subsection, unmarried dependent children under the age of twenty-two may  
196 receive sixty dollars each per month; provided that if there are more than three  
197 such children one hundred eighty dollars per month shall be divided equally  
198 among them;

199         (4) A dependent parent upon attaining sixty-two years of age may receive  
200 sixty dollars per month as long as not remarried provided no benefits are payable  
201 at any time pursuant to subdivision (1), (2), or (3) of this subsection. If there are  
202 two dependent parents entitled to benefits, sixty dollars per month shall be  
203 divided equally between them;

204         (5) If the benefits pursuant to this subsection are elected and the total  
205 amount paid is less than an amount equal to the accumulated contributions of a  
206 member at his **or her** death, the difference shall be payable to the beneficiary or  
207 the estate of the beneficiary last entitled to benefits.

208         16. If a member receiving a normal pension again becomes an active

209 member, his **or her** pension benefit payments shall cease during such  
210 membership and shall be resumed upon subsequent retirement together with  
211 such pension benefit as shall accrue by reason of his **or her** latest period of  
212 membership. Except as otherwise provided in section 105.269, a retired member  
213 may not receive a pension benefit for any month for which he **or she** receives  
214 compensation from an employing board, except he **or she** may serve as a part-  
215 time or temporary employee for not to exceed sixty days in any calendar year  
216 without becoming a member and without having his **or her** pension benefit  
217 discontinued. A retired member may also serve as a member of the board of  
218 trustees and receive any reimbursement for expenses allowed him **or her** because  
219 of such service without becoming an active member and without having his **or**  
220 **her** pension benefit discontinued or reduced.

221       17. Upon approval of the board of trustees, any member may make  
222 contributions in addition to those required. Any additional contributions shall  
223 be accumulated at interest and paid in addition to the benefits provided  
224 hereunder. The board of trustees shall make such rules and regulations as it  
225 deems appropriate in connection with additional contributions including  
226 limitations on amounts of contributions and methods of payment of benefits.

227       18. Notwithstanding any other provisions of this section, any member  
228 retiring on or after age sixty-five who has five or more years of credited service  
229 shall be entitled to an annual pension of the lesser of (a) an amount equal to his  
230 **or her** number of years of credited service multiplied by one hundred twenty  
231 dollars, or (b) one thousand eight hundred dollars. Upon the death of such  
232 member, any benefits payable to the beneficiary of such member shall be  
233 computed as otherwise provided.

169.490. 1. All the assets of the retirement system shall be held as one  
2 fund.

3       **[1.] 2. (1) For any member hired before January 1, 2018, the**  
4 employing board shall cause to be deducted from the compensation of each  
5 member at every payroll period five percent of his **or her** compensation[, and].

6       **(2) Beginning January 1, 2018, the percentage in subdivision (1)**  
7 **of this subsection shall increase one-half of one percent annually until**  
8 **such time as the percentage equals nine percent.**

9       **(3) For any member hired for the first time on or after January**  
10 **1, 2018, the employing board shall cause to be deducted from the**  
11 **compensation of each member at every payroll period nine percent of**

**12 such member's compensation.**

13           **(4)** The amounts so deducted shall be transferred to the board of trustees  
14 and credited to the individual account of each member from whose compensation  
15 the deduction was made. In determining the amount earnable by a member in  
16 any payroll period, the board of trustees may consider the rate of earnable  
17 compensation payable to such member on the first day of the payroll period as  
18 continuing throughout such payroll period; it may omit deduction from  
19 compensation for any period less than a full payroll period if the employee was  
20 not a member on the first day of the payroll period; and to facilitate the making  
21 of the deductions, it may modify the deduction required of any member by such  
22 amount as shall not exceed one-tenth of one percent of the compensation upon the  
23 basis of which such deduction was made.

24           **[(2)] (5)** The deductions provided for herein are declared to be a part of  
25 the salary of the member and the making of such deductions shall constitute  
26 payments by the member out of his **or her** salary or earnings and such  
27 deductions shall be made notwithstanding that the minimum compensation  
28 provided by law for any member shall be reduced thereby. Every member shall  
29 be deemed to consent to the deductions made and provided for herein, and shall  
30 receipt for his **or her** full salary or compensation, and the making of said  
31 deductions and the payment of salary or compensation less said deduction shall  
32 be a full and complete discharge and acquittance of all claims and demands  
33 whatsoever for services rendered during the period covered by the payment except  
34 as to benefits provided by sections 169.410 to 169.540.

35           **[(3)] (6)** The employing board may elect to pay member contributions  
36 required by this section as an employer pick up of employee contributions under  
37 Section 414(h)(2) of the Internal Revenue Code of 1986, as amended, and such  
38 contributions picked up by the employing board shall be treated as contributions  
39 made by members for all purposes of sections 169.410 to 169.540.

40           **[2.] 3.** If a retired member receiving a pension pursuant to sections  
41 169.410 to 169.540 is restored to active service and again becomes an active  
42 member of the retirement system, there shall be credited to his **or her** individual  
43 account an amount equal to the excess, if any, of his **or her** accumulated  
44 contributions at retirement over the total pension benefits paid to him **or her**.

45           **[3.] 4.** Annually, the actuary for the retirement system shall calculate  
46 each employer's contribution as an amount equal to a certain percentage of the  
47 total compensation of all members employed by that employer. The percentage

48 shall be fixed on the basis of the liabilities of the retirement system as shown by  
49 the annual actuarial valuation. The annual actuarial valuation shall be made on  
50 the basis of such actuarial assumptions and the actuarial cost method adopted by  
51 the board of trustees, provided that the actuarial cost method adopted shall be  
52 in accordance with generally accepted actuarial standards and that the unfunded  
53 actuarial accrued liability, if any, shall be amortized by level annual payments  
54 over a period not to exceed thirty years. **The provisions of this subsection**  
55 **shall expire on December 31, 2017; thereafter subsection 5 of this**  
56 **section shall apply.**

57 **5. For calendar year 2018, the rate of contribution payable by**  
58 **each employer shall equal sixteen percent of the total compensation of**  
59 **all members employed by that employer. For each calendar year**  
60 **thereafter, the percentage rate of contribution payable by each**  
61 **employer of the total compensation of all members employed by that**  
62 **employer shall decrease one-half of one percent annually until calendar**  
63 **year 2032 when the rate of contribution payable by each employer shall**  
64 **equal nine percent of the total compensation of all members employed**  
65 **by that employer. For subsequent calendar years after 2032, the rate**  
66 **of contribution payable by each employer shall equal nine percent of**  
67 **the total compensation of all members employed by that employer.**

68 [4.] **6.** The expense and contingency reserve shall be a reserve for  
69 investment contingencies and estimated expenses of administration of the  
70 retirement system as determined annually by the board of trustees.

71 [5.] **7.** Gifts, devises, bequests and legacies may be accepted by the board  
72 of trustees to be held and invested as a part of the assets of the retirement  
73 system and shall not be separately accounted for except where specific direction  
74 for the use of a gift is made by a donor.

169.560. Any person retired and currently receiving a retirement  
2 allowance pursuant to sections 169.010 to 169.141, other than for disability, may  
3 be employed in any capacity in a district included in the retirement system  
4 created by those sections on either a part-time or temporary-substitute basis not  
5 to exceed a total of five hundred fifty hours in any one school year, and through  
6 such employment may earn up to fifty percent of the annual compensation  
7 payable under the [employing] district's salary schedule for the position or  
8 positions filled by the retiree, given such person's level of experience and  
9 education, without a discontinuance of the person's retirement allowance. If the

10 [employing] school district does not utilize a salary schedule, or if the position in  
11 question is not subject to the [employing] district's salary schedule, a retiree  
12 employed in accordance with the provisions of this section may earn up to fifty  
13 percent of the annual compensation paid to the person or persons who last held  
14 such position or positions. If the position or positions did not previously exist,  
15 the compensation limit shall be determined in accordance with rules duly adopted  
16 by the board of trustees of the retirement system; provided that, it shall not  
17 exceed fifty percent of the annual compensation payable for the position in the  
18 [employing] school district that is most comparable to the position filled by the  
19 retiree. In any case where a retiree fills more than one position during the school  
20 year, the fifty-percent limit on permitted earning shall be based solely on the  
21 annual compensation of the highest paid position occupied by the retiree for at  
22 least one-fifth of the total hours worked during the year. Such a person shall not  
23 contribute to the retirement system or to the public education employee  
24 retirement system established by sections 169.600 to 169.715 because of earnings  
25 during such period of employment. If such a person is employed in any capacity  
26 by such a district [on a regular, full-time basis,] **in excess of the limitations**  
27 **set forth in this section**, the person shall not be eligible to receive the person's  
28 retirement allowance for any month during which the person is so employed. **In**  
29 **addition, such person [and] shall contribute to the retirement system if the**  
30 **person satisfies the retirement system's membership eligibility**  
31 **requirements. In addition to the conditions set forth above, this section**  
32 **shall apply to any person retired and currently receiving a retirement**  
33 **allowance under sections 169.010 to 169.141, other than for disability,**  
34 **who is employed by a third party or is performing work as an**  
35 **independent contractor, if such person is performing work in a district**  
36 **included in the retirement system as a temporary or long-term**  
37 **substitute teacher or in any other position that would normally require**  
38 **that person to be duly certificated under the laws governing the**  
39 **certification of teachers in Missouri if such person was employed by the**  
40 **district. The retirement system may require the district, the third-party**  
41 **employer, the independent contractor, and the retiree subject to this**  
42 **section to provide documentation showing compliance with this section.**  
43 **If such documentation is not provided, the retirement system may deem**  
44 **the retiree to have exceeded the limitations provided in this section.**

169.715. 1. Any person receiving a retirement allowance under sections

2 169.600 to 169.712, and who elected a reduced retirement allowance under  
3 subsection 4 of section 169.670 with his **or her** spouse as the nominated  
4 beneficiary, may nominate a successor beneficiary under either of the following  
5 circumstances:

6 (1) If the nominated beneficiary precedes the retired person in death, the  
7 retired person may, upon remarriage, nominate the new spouse under the same  
8 option elected in the application for retirement;

9 (2) If the marriage of the retired person and the nominated beneficiary is  
10 dissolved, and if the dissolution decree provides for sole retention by the retired  
11 person of all rights in the retirement allowance, the retired person may, upon  
12 remarriage, nominate the new spouse under the same option elected in the  
13 application for retirement.

14 2. Any nomination of a successor beneficiary under subdivision (1) or (2)  
15 of subsection 1 of this section must be made in accordance with procedures  
16 established by the board of trustees, and must be filed within ninety days of May  
17 6, 1993, or within [ninety days] **one year** of the remarriage, whichever later  
18 occurs. Upon receipt of a successor nomination filed in accordance with those  
19 procedures, the board shall adjust the retirement allowance to reflect actuarial  
20 considerations of that nomination as well as previous beneficiary and successor  
21 beneficiary nominations.

22 **3. Any person receiving a retirement allowance under sections**  
23 **169.600 to 169.715 who elected a reduced retirement allowance under**  
24 **subsection 4 of section 169.670 with his or her spouse as the nominated**  
25 **beneficiary may have the retirement allowance increased to the amount**  
26 **the retired member would be receiving had the retired member elected**  
27 **option 1 if:**

28 (1) **The marriage of the retired person and the nominated spouse**  
29 **is dissolved on or after September 1, 2017;**

30 (2) **The dissolution decree provides for sole retention by the**  
31 **retired person of all rights in the retirement allowance; and**

32 (3) **The person receives a retirement allowance under subsection**  
33 **4 of section 169.670.**

34 **Any such increase in the retirement allowance shall be effective upon**  
35 **the receipt of an application for such increase and a certified copy of**  
36 **the decree of dissolution that meets the requirements of this section.**

Section B. The repeal and reenactment of section 104.1205 of section A of

2 this act shall become effective July 1, 2018.

Section C. The repeal and reenactment of sections 52.290, 137.280,  
2 137.345, and 140.100 of section A of this act shall become effective January 1,  
3 2018.

✓

Unofficial

Bill

Copy

**From:** [Arlene Silvey](#)  
**To:** [Traci Christian \(tchristian@mccloudandassociatesinc.com\)](#); [John Naylor \(jnaylor@mccloudandassociatesinc.com\)](#); [Jill Woods](#); [Brzycki, Joseph \(joseph.brzycki@bmo.com\)](#); [Joshua Schwartz](#); [Grall, Ryan \(ryan.grall@bmo.com\)](#); [jessica.morganlacy@fisglobal.com](#); [Michael Ruff](#)  
**Cc:** [Jeff Kempker \(jkempker@molagers.org\)](#); [Mya Bernskoetter \(MBernskoetter@molagers.org\)](#); [Kelvin L. Shaw](#); [John Rice](#)  
**Subject:** Police Retirement Fund  
**Date:** Wednesday, April 3, 2019 2:47:43 PM

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Good afternoon:

I want to notify you that over the last several years the City of Sedalia has been looking at transitioning the Sedalia Police Pension Plan over to (Lagers) the MO Local Government Employee Retirement System. As you are all aware, the Police Retirement Fund is severely underfunded. By moving to Lagers, we will shorten the time span to fully fund the plan and obtain better investment returns when combined with Lagers funds and reduce our administrative costs.

At our Council meeting on April 1, 2019, the council approved a joinder agreement with Lagers laying out the arrangement for them to manage and administer the Police Fund. The second ordinance the council approved was to remove old provisions from the police retirement ordinance that are no longer applicable in the frozen plan and implement language corresponding to moving the fund under the management of Lagers.

We have targeted June 1, 2019 for this transition. Further correspondence will follow.

I want you to know that it has been a pleasure working with you for many years. If you have any questions, please give me a call.

*Arlene Silvey*

MPCC City Clerk  
City of Sedalia, MO  
200 S. Osage  
Sedalia, MO 65301  
660-827-3000

[asilvey@cityofsedalia.com](mailto:asilvey@cityofsedalia.com)

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City of Sedalia, Missouri CONFIDENTIALITY STATEMENT: This mail is "unofficial" communication. The ideas or information presented does not necessarily reflect the Official opinion of the City of Sedalia. This electronic communication including any attachments is from the City of Sedalia, Missouri and is confidential, privileged, and intended only for the use of the recipient(s) named above. Any unauthorized review, use, disclosure or distribution is prohibited. If you have received this transmission in error, please notify the sender and delete all copies from your system.

BILL NO. 2019-49

ORDINANCE NO. 10897

**AN ORDINANCE APPROVING AND ACCEPTING A JOINDER AGREEMENT BY AND BETWEEN THE CITY OF SEDALIA, MISSOURI AND THE BOARD OF TRUSTEES OF THE MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) FOR THE TRANSITION OF THE ADMINISTRATION OF THE SEDALIA POLICEMEN'S RETIREMENT FUND INTO LAGERS.**

WHEREAS, the City of Sedalia has identified the need to transition the administration of the Sedalia Police Retirement System and its assets to the Board of Trustees of the Missouri Local Government Employees Retirement system in the best interests of the city and the present and past members of the fund.

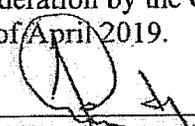
**NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SEDALIA, MISSOURI** as follows:

**Section 1.** The Mayor and City Clerk are hereby authorized to execute the following Joinder Agreement between the City of Sedalia and the Board of Trustees of the Missouri Local Government Employees Retirement system.

**Section 2.** The agreement shall be substantially the same in form and content as the agreement attached hereto as Exhibit A.

**Section 3.** This ordinance shall be in full force and effect from and after its passage and approval.

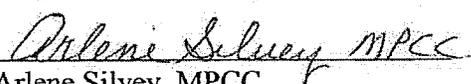
Read two times by title, copies of the proposed ordinance having been made available for public inspection prior to the time the bill is under consideration by the Council and passed by the Council of the City of Sedalia, Missouri this 1<sup>st</sup> day of April 2019.

  
\_\_\_\_\_  
Presiding Officer of the Council

Approved by the Mayor of said City this 1<sup>st</sup> day of April 2019.

  
\_\_\_\_\_  
John Kohda, Mayor

ATTEST:

  
\_\_\_\_\_  
Arlene Silvey, MPCC  
City Clerk

**EXHIBIT A**  
**JOINDER AGREEMENT**

WHEREAS, the City of Sedalia, Missouri, ("City") is an employer in the Missouri Local Government Employees Retirement System ("LAGERS") and is the sponsor of the Sedalia Police Retirement Plan of the City of Sedalia, Missouri (the "Plan"), which is a plan that is similar in purpose to LAGERS within the meaning of Section 70.621.1 RSMo; and

WHEREAS, the Board of Trustees of the Sedalia Police Retirement Fund of the City of Sedalia ("Pension Board"), Missouri is the current governing body of the Plan; and

WHEREAS, the Plan is frozen, and the City and Pension Board wish to enter into an agreement whereby LAGERS assumes all duties and responsibilities of operating the Plan, effective no later than June 1, 2019; and

WHEREAS, the current Pension Board for the Plan will dissolve and LAGERS will assume all operational duties and responsibilities for the Plan, and the board of LAGERS shall become the governing board of the Plan in accordance with Section 70.621 RSMo; and

WHEREAS, the City agrees that any and all surplus assets of the Plan shall be transferred to LAGERS' benefit reserve fund created pursuant to Section 70.715 RSMo upon the termination of the Plan in a manner consistent with state and federal law and regulations; and

WHEREAS, the City shall continue to have sole responsibility for full funding of the Plan including related expenses.

WHEREAS, it is understood that in entering into this Agreement the City is also acting as agent for the Board of Trustees of the Sedalia Police Retirement Plan of the City of Sedalia, Missouri.

NOW, THEREFORE, in consideration of the mutual covenants and agreement contained herein, the parties agree as follows:

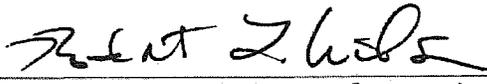
1. The City of Sedalia, and approved by the City Council, irrevocably delegates and cedes to LAGERS all duties and responsibilities of operating the Plan in accordance with Section 70.621 RSMo.
2. The board of LAGERS shall become the governing board of the Plan in accordance with Section 70.621 RSMo.
3. Any and all surplus assets of the Plan shall be transferred to LAGERS' benefit reserve fund created pursuant to Section 70.715 RSMo upon the termination of the Plan in a manner consistent with state and federal law and regulations
4. The City will timely make available to LAGERS staff all personnel and financial data necessary for the administration of the Plan including the original files for each active participant. Such original files will be sent to LAGERS.

5. In any case of question as to the membership status, eligibility for an amount of benefits, or any other question related to benefits under the existing Sedalia Police Retirement Plan, the City agrees that LAGERS is to decide the question.
6. The City Administrator and the duly-authorized designees of the City Administrator are hereby authorized, empowered, and directed to act on behalf of the City to take any and all actions required for necessary contributions to maintain Sedalia Police Retirement Plan managed by L.A.G.E.R.S.
7. The City, to the extent permitted by law, agrees to hold LAGERS harmless from any liability with respect to this transaction, apart from those obligations imposed on LAGERS by Sections 70.600 – 70.755 RSMo., provided the transaction is completed according to the terms contained herein.
8. The City, to the extent permitted by law, agrees to indemnify and to hold LAGERS harmless from any and all claims, liabilities, losses, damages, court costs and reasonable expenses (including reasonable attorneys' fees) that LAGERS may incur or suffer as a result of any discrepancy between the amount or other feature of the benefit of a participant or beneficiary as determined by the City and communicated by the City to LAGERS, and the amount or other feature of the benefit of a participant or beneficiary in accordance with the Plan document as determined by LAGERS or as determined by a final decision of a court with jurisdiction over the matter.
9. LAGERS, to the extent permitted by law, agrees to hold the City harmless from any liability with respect to this transaction, apart from those obligations imposed on the City under its Code of Ordinances, provided the transaction is completed according to the terms contained herein.
10. The City Administrator and the duly-authorized designees of the City Administrator are hereby authorized and directed to take any and all actions required to place the foregoing agreements into effect, such actions must include amending applicable sections of the City Code, and revising relevant Ordinances, such actions are to be taken promptly in accordance with local, state, and federal laws and procedures.
11. This Agreement will be effective as of the date agreed upon by the City and LAGERS following the receipt by LAGERS of Plan participant and beneficiary data requested by LAGERS and the determination by LAGERS that such data are reasonably acceptable.
12. IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year last executed by a party below and acknowledge receipt of one copy of the contract.

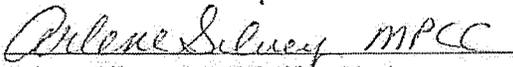
CITY OF SEDALIA, MISSOURI

MISSOURI LOCAL GOVERNMENT  
EMPLOYEES RETIRMENT SYSTEM

  
\_\_\_\_\_  
Mayor: John A. Kehde  
Date: 4-1-19

  
\_\_\_\_\_  
Title: EXECUTIVE SECRETARY  
Date: 4-8-2019

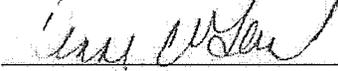
ATTEST:

  
\_\_\_\_\_  
Arlene Silvey, MPCC City Clerk

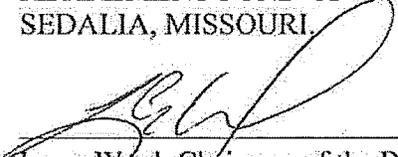
ATTEST:

  
\_\_\_\_\_  
Title: Chief Counsel

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Anne Gardner, City Attorney

CHAIRMAN OF THE BOARD OF  
TRUSTEES FOR THE SEDALIA POLICE  
RETIREMENT FUND OF THE CITY OF  
SEDALIA, MISSOURI.

  
\_\_\_\_\_  
Larry Ward, Chairman of the Board  
Date: 4-4-19

# California Supreme Court curbs a pension benefit but preserves 'California Rule'

By MAURA DOLAN  
MAR 04, 2019

The California Supreme Court made it clear Monday that state and local governments may reduce pension costs by repealing certain benefits without running afoul of constitutional protections for public pensions.

In a unanimous decision written by Chief Justice Tani-Cantil Sakauye, the court upheld California's 2012 repeal of an "air time" benefit that allowed state workers to buy credits toward retirement service.

The decision was the court's first in a series of pending pension disputes it has agreed to review.

Some legal analysts said the ruling suggested the court would strive to rule narrowly in future pension cases. Others contended the justices eventually would have to address how far state and local governments may go in reducing pension liabilities.

Public employers want the court to make it easier to cut pensions for current employees to tackle hundreds of billions of dollars in pension shortfalls. Labor unions are fighting cutbacks, pointing to decades of court precedent that says California's public pensions are contracts protected by the state Constitution.

In ruling for the state Monday, the high court distinguished core pension benefits from the retirement credits at issue.

Pensions are a form of deferred compensation protected by contract law, but the opportunity to buy retirement credits was simply an optional benefit, the court said.

It likened the option to the opportunity to choose from various healthcare plans, to purchase disability insurance coverage or create a flexible spending account to pay for health and child care costs with pre-tax dollars.

“Unlike core pension rights,” the court said, the opportunity to purchase retirement credits was “not granted to public employees as deferred compensation for their work.”

A term or condition of public employment is not constitutionally protected “solely because it affects in some manner the amount of a pensioner’s benefit,” the court said.

Although the court ruled for the state on the benefit, it refused requests by the state and pension reformers to dilute the decades-old legal protections for public employees.

For more than 60 years, California has adhered to a legal rule that guarantees workers the pensions that were in place the day they were hired.

Known as the “California Rule,” the protective legal doctrine has stymied state and local lawmakers wrestling with hundreds of billions of dollars in pension shortfalls.

The court declined to address the controversy over the rule, saying it was unnecessary to resolve the dispute.

Gregg McLean Adam, who represented the unions, said he was disappointed. “Certainly because we lost, there will be those who suggest this is the writing on the wall” for future pension rulings, he said.

But Adam said he didn’t see anything in Monday’s decision “suggesting the court was backing off” the California Rule.

“Everyone is just going to have to wait for the sequel,” he said.

University of Minnesota law professor Amy B. Monahan, who specializes in employee benefits law, said it was “incredibly difficult” to predict from Monday’s decision how the court would decide the other pension disputes.

“There are a lot of good reasons for the judges to stick with existing precedent, but the appellate courts have given them a different path if they want to take it,” she said.

Emory University law professor Alexander Volokh said Monday’s decision gave the court “a road map to carve out certain things from the scope of the California Rule.”

“But I don’t see them doing any sort of wholesale rollback,” Volokh said.

Daniel M. Kolkey, who represented a free-market think tank in the case, said the ruling suggested the court would be flexible in allowing state and local governments to repeal some benefits.

But he also predicted that the court eventually would have to decide whether the California Rule should be limited.

Ted Toppin, chairman of Californians for Retirement Security, expressed gratitude that the court left the rule intact.

“Thankfully, the decision protects the retirement security of California’s nurses, teachers, firefighters, school employees and countless other public servants and retirees dependent on their hard-earned pensions,” Toppin said. Still, the court could redefine the rule in a later case.

Timothy T. Coates, who represented the Los Angeles County Employees Retirement Assn. as a friend of the court, said no conclusions could be drawn about the court’s leanings on the protective precedent.

“I don’t take anything from this case as tipping their hand on the California Rule,” he said.

The air time benefit, created by the Legislature in 2003, permitted employees to pay a fee to add an extra five years to their work history for pension purposes.

Known as air time because the employee does not actually work, the benefit was offered to workers with at least five years of state service.

An employee of 20 years could qualify for a pension based on 25 years of contributions, which was particularly attractive to workers who took a break from their government jobs to take care of family or work on political campaigns.

As part of pension reform law, the state repealed the air-time benefit in 2012. Unions sued, arguing the repeal violated the California Rule.

Under current law, pensions are treated as contracts protected by the California Constitution. Monday's decision did not alter that, but made it clear that a benefit that simply affects a pension may not be untouchable.

The formula for calculating retirement income generally can be changed only if it is neutral or advantageous to the employee, courts have ruled in the past. It cannot be reduced, except for new hires.

By deciding the air-time benefit did not amount to a pension promise, the court allowed public employers to shave retirement costs without toppling a bedrock legal principle protective of workers.

A similar case before the court involves "pension spiking." A three-judge Court of Appeal panel decided in 2016 that Marin County had the right to bar workers from spiking their pensions.

Pension spiking occurs when an employee's pay is inflated during the period on which retirement is based — usually at the end of a worker's career.

This can be done by cashing in years of accumulated vacation or sick pay or volunteering for extra duties just before retirement.

In some cases, spiking has created pensions higher than the workers' salaries. The Court of Appeal in that case ruled that public retirement plans were not "immutable," and could be reduced. The law merely requires government to provide a "reasonable" pension, the intermediate court said.

That decision was a major departure from the California Rule.

By distinguishing the air time and pension-spiking cases from pension precedents, the court could pursue a middle ground, allowing government to reduce some pension costs but still leaving protections for workers in place.



Essential California Newsletter  
Monday - Saturday

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A roundup of the stories shaping California.



## Maura Dolan

### CONTACT

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Maura Dolan is the California-based legal affairs writer for the Los Angeles Times. She covers the California Supreme Court and the U.S. 9th Circuit Court of Appeals. A California native, she graduated from UC Berkeley and has worked in Washington and Los Angeles for The Times. She is now based in San Francisco.

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# CALIFORNIA SUPREME COURT ISSUES KEY PENSION RULING

TUE, 03/5/2019

The California Supreme Court issued a much-anticipated ruling on public employee pension benefits Monday, but left a larger and much more consequential question about vested pension rights intact.

The case before the court involved so-called employee "air time," which allowed public workers to collect an additional five years of retirement benefits. It was done away with under Gov. Jerry Brown's 2012 pension reform law and Cal Fire Local 2881 sued. Their argument was that the repeal violated the so-called California Rule which, absent some offsetting mechanism, guarantees public benefits promised at hire.

In a unanimous decision, the court upheld air time's repeal, siding against the union and with then Gov. Brown. That will undoubtedly save taxpayers a large sum of money. But the court did so under the premise that air time did not constitute core pension benefits protected under the California Rule at all. The question of the rule's validity was therefore left to another day.

That's a disappointment for pension reform advocates who wanted to see the court blow a hole in the California Rule once and for all. The state and local governments are facing crushing public retirement obligations and, without the ability to scale back existing benefits, experts say many of them face potential insolvency.

What will Monday's ruling mean for the future of public pensions? That depends on the next legal cases to come.

Read more at [CalMatters](#), [the Sacramento Bee](#), and [the Los Angeles Times](#).



CITY NEWS

**Resource Management Agency Director**  
County of San Benito

**LABORATORY ANALYST III; SENIOR LABORATORY ANALYST**  
City of Ventura

**Building Official**  
City of Dana Point

**MEMBER SERVICES MANAGER**  
Contra Costa County Employees' Retirement Association (CCCERA)

**INVESTMENT OFFICER**  
County of San Mateo

**Supervisor Executive Aide I**  
County of Ventura

**Director of Public Works**  
City of Roseville

**Director of Human Resources**  
City of Stockton

**Assistant City Manager**  
City of Alameda

**Information Technology Manager**

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the State of Missouri and \_\_\_\_\_ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the State of Missouri, for their approval or rejection, at the general election to be held on the 3<sup>rd</sup> day of November, 2020, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and \_\_\_\_\_ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, being first duly sworn, say (print or type names of signers)

RECEIVED  
2019 MAR 25 AM 10:22  
*[Handwritten Signature]*

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town, or Village)	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and \_\_\_\_\_ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age. I do \_\_\_ do not \_\_\_ (check one) expect to be paid for circulating this petition. If paid, list the payer:

\_\_\_\_\_  
(Name of payer)

\_\_\_\_\_  
Signature of Affiant (Person obtaining signatures)

\_\_\_\_\_  
Printed Name of Affiant

\_\_\_\_\_  
Address of Affiant (Street, City, State & Zip Code)

Subscribed and sworn to before me this \_\_\_ day of \_\_\_ A.D. 20\_\_\_\_.  
Notary Public (Seal)

\_\_\_\_\_  
Signature of Notary

My commission expires \_\_\_\_\_

*Be it resolved by the people of the state of Missouri that the Constitution be amended:*

Article VI of the Constitution is revised by repealing Sections 30(a), 30(b), 31, 32(a), 32(b), 32(c), and 33 and adopting one new section to be known as Article VI, Section 30 to read as follows:

1. Definitions.

(1) When used in this section, the following terms shall have the following meanings:

(a) "Effective date of this section" shall mean January 1, 2021, which shall be the effective date of the enactment of section 30 of this article and the repeal of sections 30(a), 30(b), 31, 32(a), 32(b), 32(c), and 33 of this article.

(b) "Financing obligation" means any bond, note, capital lease, or similar obligation of the metropolitan city, a municipality, a municipal district, or the St. Louis Municipal Corporation, as applicable, including any such obligations issued on behalf of any such entity and any such obligations issued to refinance or refund any such obligation.

(c) "General district service" shall mean any duty, service, or function of the metropolitan city, a county, or a city, now or in the future assigned by law, charter, or ordinance of the metropolitan city, including, without limitation: public health, safety, and general welfare; police, law enforcement, and municipal court; the licensing, taxing, and regulation of businesses, occupations, professions, activities, and things; transportation, infrastructure, and public works; and economic development.

(d) "Mayor" shall mean the mayor of the metropolitan city.

(e) "Metropolitan city" shall mean The Metropolitan City of St. Louis.

(f) "Municipal district" shall mean a municipal district of the metropolitan city, comprising the territory within the municipality immediately prior to the effective date of this section.

(g) "Municipal district service" shall mean any duty, service, or function of the municipality immediately prior to the effective date of this section or in the future assigned to the municipal district by law, charter, or ordinance of the metropolitan city, and which is not otherwise a general district service provided or secured by the metropolitan city within the territory of the municipal district, including, without limitation: fire protection, emergency medical, and related services; parks and recreation; proprietary and enterprise functions; facilities; and administration of the municipal district.

(h) "Municipality" shall mean any incorporated city, town, or village located wholly within the territory of the city of St. Louis or the county of St. Louis as of January 1, 2019, including the city of St. Louis.

(i) "Special district" shall mean, excluding school districts and fire protection districts, any political subdivision, municipal corporation, body corporate and politic, authority, metropolitan district, taxing district, taxing subdistrict, public corporation, or quasi-public corporation created pursuant to this constitution, law, charter, ordinance, or resolution, other than the county of St. Louis or a municipality, located wholly or partially within the territory in the city of St. Louis or the county of St. Louis immediately prior to the effective date of this section.

(j) "This section" shall mean this article VI, section 30.

(k) "Transition mayor" shall mean the transition mayor of the metropolitan city.

(l) "Transition period" shall mean the period between the effective date of this section and January 1, 2023.

## 2. Metropolitan City.

(1)(a) Notwithstanding any provision of law or this constitution, upon the effective date of this section, the territory of the county of St. Louis is extended to embrace the territory heretofore in the city of St. Louis and the county of St. Louis, and the county of St. Louis so expanded shall continue its corporate existence as a new political subdivision, body corporate and politic, and municipal corporation, which is hereby created, with its name "The Metropolitan City of St. Louis" and its seat of government within the territory heretofore in the city of St. Louis.

(b) All rights, duties, personnel, property, contracts, records, assets, liabilities, and obligations of any kind of the county of St. Louis, including, without limitation, the payment of principal and interest on financing obligations, and any obligations related to employee benefits, including, without limitation, pension, retirement, disability, death, medical, life insurance, and similar benefits for employees, eligible dependents, and beneficiaries, shall continue without impairment with the metropolitan city by operation of this section.

(2) The metropolitan city shall be a metropolitan city form of government, which is hereby created, and which shall possess all the powers and privileges of both a constitutional charter county and a constitutional charter city, including any city not within a county. The powers and privileges of the metropolitan city shall include, without limitation, all powers and privileges of the county of St. Louis and of any municipality immediately prior to the effective date of this section, and all powers and privileges now or in the future granted to the metropolitan city, to a county, or to a city under this constitution and the laws of this state. Such powers and privileges shall be cumulative and shall be construed broadly in favor of the metropolitan city.

(3) The metropolitan city shall be governed by a charter. Notwithstanding any provision of law or this constitution, the initial charter of the metropolitan city shall be the charter of the county of St. Louis as of January 1, 2019, except as otherwise provided in this section. The specific mention of or the failure to mention a particular power or privilege in the initial charter shall not limit in any way the powers and privileges granted herein to the metropolitan city. The initial charter shall be liberally construed to effectuate this section and in harmony therewith. The initial charter may be amended in the manner provided in this section and, following the transition period, in the manner provided by charter, provided that any amendment submitted to voters by ordinance of the metropolitan council shall require the affirmative vote of two-thirds of the qualified electors voting thereon.

(4)(a) Unless otherwise provided by charter following the transition period, there shall be no elective officers of the metropolitan city other than the mayor, the members of the metropolitan council, the assessor, and the prosecuting attorney. Elective officers shall be qualified voters of the metropolitan city and shall possess such additional qualifications provided by charter. Except as otherwise provided in this section, elective officers of the metropolitan city shall be nominated and elected in the manner provided in the election laws for state and county officers. No person duly serving in any office of the county of St. Louis or of any municipality immediately prior to the effective date of this section shall be disqualified from candidacy for elective office of the metropolitan city or of a municipal district, but shall forfeit such office upon assuming elective office of the metropolitan city or of a municipal district. A vacancy shall exist in an office of the metropolitan city in the event of death, resignation, or inability to serve of the person designated by this section to assume such office.

(b) The salary for members of the metropolitan council shall be as provided for members of the board of aldermen of the city of St. Louis immediately prior to the effective date of this section and as may be fixed by ordinance. The salary for all other elective officers of the metropolitan city shall be as provided for corresponding officers of the county of St. Louis immediately prior to the effective date of this section and as may be fixed by ordinance.

(5)(a) Except as otherwise provided in this section with respect to the transition period and as may be otherwise provided by charter following the transition period, the legislative power of the metropolitan city shall be vested in the metropolitan council and shall include the exercise of legislative power throughout the territory of the metropolitan city, including within the territory of any municipal district, pertaining to any and all duties, services, and functions now or in the future assigned to the metropolitan city, to a county, or to a city.

(b) The metropolitan council shall consist of thirty-three members, elected for terms of four years by the qualified voters of the districts in which they reside, except that members initially representing even-numbered districts shall be elected for terms of two years to provide for staggered terms. Members shall be elected at the general election in 2022, and so on at succeeding elections, and shall take office on January first following election. Notwithstanding the foregoing, the members of the county council of the county of St. Louis duly serving as of the effective date of this section shall be entitled to continue service as members of the county council of the county of St. Louis for the term of office for which they were elected or appointed and receive compensation therefor in the exercise of the duties specified in this section.

(c) Members of the metropolitan council shall be elected from districts established in the manner provided in this section.

(i) Before April 1, 2021, the mayor and transition mayor shall jointly appoint a member or members of the faculty, with relevant expertise and without partisan affiliation, of one or more universities located within the metropolitan city to prepare a plan to divide the metropolitan city into districts from which members of the metropolitan council shall be elected. The plan shall include a statement of the boundaries of the initial districts, together with a map of such districts. Districts shall contain as nearly equal population as practicable, shall be compact and contiguous, and shall comply with all requirements of the United States Constitution and federal laws, including, but not limited to, the Voting Rights Act of 1965, as amended. Such districts shall respect boundaries of municipal districts and communities of interest whenever practicable.

(ii) Before September 1, 2021, the plan shall be submitted for adoption, with or without amendment, by the county council of the county of St. Louis and the governing body of the municipal district within the territory heretofore in the city of St. Louis. If both shall fail to adopt identical plans with the characteristics required by this section, on or before December 31, 2021, the plan as submitted shall be deemed approved as of that date. Upon approval, the plan shall be filed with the official performing the duties of a county clerk and the office or officers charged with conducting elections in the metropolitan city and shall be deemed incorporated into the charter.

(iii) On or before December thirty-first of the year following a federal decennial census, beginning with the first federal decennial census following the transition period, the districts shall be reapportioned, if necessary, in the manner provided in the charter and with the characteristics provided in this section.

(d) At its first regular meeting following the transition period, and every two years thereafter, the members of the metropolitan council shall designate a president and vice-president, whose terms of office shall be for two years.

(e) Any vacancy in the metropolitan council shall be filled by appointment of the president of the metropolitan council. Any person appointed to fill such vacancy shall have the same qualifications otherwise established for the office and shall serve until a successor is duly serving following a special election for the unexpired or full term.

(6)(a) Except as otherwise provided in this section with respect to the transition period and as may be otherwise provided by charter following the transition period, all executive and administrative power of the metropolitan city shall be vested in the mayor, who shall be the chief executive officer of the metropolitan city and shall possess and exercise all the powers and duties of the chief executive officer of a county and of a city now or in the future granted. Notwithstanding any other provision of law or this constitution, the initial mayor shall be the person duly serving as county executive of the county of St. Louis on the effective date of this section, who shall assume office upon the effective date of this section and hold office until a successor is duly serving. The mayor shall be elected at the general election in 2022, and every four years thereafter, and shall take office on January first following election. Except as otherwise provided in this section with respect to the transition period, a vacancy in the office of mayor shall be filled by the president of the metropolitan council, who shall possess and exercise the powers and duties of the office until a successor is serving following a special election for the unexpired or full term. While so holding the office of mayor, a temporary vacancy shall exist in the office of the president of the metropolitan council. The vice-president of the metropolitan council shall hold the office of president of the metropolitan council during any such vacancy, with the right of succession to the office of mayor. Notwithstanding the foregoing, the transition mayor shall possess and exercise the powers and duties of the office of mayor in the event of a vacancy in such office during the transition period. The vacancy in the office of transition mayor thereby created shall be filled by appointment of the transition mayor, now serving as mayor, from a list of no less than three qualified voters nominated by resolution of the county council of the county of St. Louis. If the county council of the county of St. Louis shall fail to submit such list within seven days of the vacancy, the office shall be filled by appointment of the transition mayor, now serving as the mayor.

(b) The mayor shall appoint no fewer than four deputy mayors, to serve at the pleasure of the mayor and with such duties as directed by ordinance or executive order, with respect to public health and safety; economic development and innovation; community development and housing; community engagement and equity; and as otherwise designated by charter.

(c) There shall be an assessor of the metropolitan city who shall possess and exercise all the powers and duties of a county assessor now or in the future granted. Notwithstanding any other provision of law or this constitution, the initial assessor shall be the person duly serving as assessor of the county of St. Louis on the effective date of this section, who shall assume office upon the effective date of this section and hold office until a successor is duly serving. The assessor shall be elected at the general election in 2022, and every four years thereafter, and shall take office on January first following election. A vacancy in the office shall be filled by appointment of the mayor, and the person so appointed shall hold office until January first following the next general election at which a successor shall be elected for the unexpired or full term.

(d) There shall be a prosecuting attorney of the metropolitan city who shall possess and exercise all the powers and duties of a prosecuting attorney and the circuit attorney for the city of St. Louis now or in the future granted. Notwithstanding any other provision of law or this constitution, the initial prosecuting attorney shall be the person duly serving as prosecuting attorney of the county of St. Louis on the effective date of this section, who shall assume office upon the effective date of this section and hold office until a successor is duly serving. The prosecuting attorney shall be elected at the general election in 2022, and every four years thereafter, and shall take office on January first following election. A vacancy in the office shall be filled by appointment of the mayor, and the person so appointed shall hold office until January first following the next general election at which a successor shall be elected for the unexpired or full term.

(e) There shall be a metropolitan city counselor appointed by the mayor, with such qualifications provided by charter, who shall serve as the metropolitan city's attorney and counselor at law and shall possess and exercise all the powers and duties of a county counselor and a city attorney now or in the future granted.

(f) Except as provided in this section, the metropolitan city shall have such departments and offices as established by the county of St. Louis as of the effective date of this section and as may be subsequently established by the metropolitan city. Except for the heads of a department appointed by the majority of the circuit judges as provided by charter, the heads of each department shall be appointed by the mayor and shall assume office upon appointment. Upon the effective date of this section, a board or commission of the county of St. Louis, and which is not the governing body of a special district, shall continue as a board or commission of the metropolitan city, until otherwise provided by charter or by ordinance of the metropolitan city, with the members duly serving holding office until a successor is duly appointed. The members of boards and commissions of the metropolitan city shall be appointed by the mayor, or otherwise as designated by charter, and shall exercise such duties and functions as assigned by law, charter, ordinance, or order.

(7)(a) During the transition period, all executive and administrative power of the metropolitan city shall be vested jointly in the mayor and transition mayor, who shall together constitute the chief executive officer of the metropolitan city and who shall jointly undertake or order the exercise or performance of any power, duty, or function necessary and proper to faithfully execute the orderly administration and implementation of this section. Notwithstanding any provision of law or this constitution, the transition mayor shall be the person serving as mayor of the city of St. Louis on the effective date of this section, who shall assume the office of transition mayor upon the effective date of this section and hold office until January 1, 2023. During the transition period, the transition mayor shall concurrently exercise the powers, privileges, duties, and functions of the chief executive officer of the governing body of the municipal district within the territory heretofore in the city of St. Louis. A vacancy in the office of transition mayor shall be filled by appointment of the mayor from a list of no less than three qualified voters nominated by resolution of the governing body of the municipal district within the territory heretofore in the city of St. Louis. If the governing body of the municipal district shall fail to submit such list within seven days of the vacancy, the office shall be filled by appointment of the mayor.

(b) Notwithstanding any provision of law or this constitution, to the extent an executive or administrative power, duty, or function is required to be exercised or performed by the metropolitan city during the transition period, such power, duty, or function may be exercised or

performed jointly by the mayor and transition mayor or, at their joint direction, by an official or employee of the metropolitan city or of a municipal district, but shall be deemed exercised or performed by the metropolitan city. Such powers, duties, and functions shall include, without limitation: (i) on or before February 1, 2021, establishing procedures related to the joint exercise and performance of the power, duties, and functions authorized by this section, including, without limitation, a procedure for the resolution of any nonconcurrence among the mayor and transition mayor; (ii) on or before April 1, 2021, making appointments to offices, departments, boards, and commissions, except for officers appointed by a majority of the circuit judges as provided in the charter, with such persons assuming office upon their appointment; (iii) ordering the metropolitan city provide or secure the provision of a general district service within the territory of a municipal district; (iv) administering the budget for each year of the transition period in the manner provided in this section; (v) transferring and assigning the functions and duties of personnel; (vi) entering into contracts and agreements; (vii) transferring and accepting the transfer of property; and (viii) executing any necessary documents or instruments related thereto on behalf of the metropolitan city. The mayor and transition mayor shall jointly undertake or order the exercise or performance of such powers, duties, or functions pursuant to executive order contemporaneously transmitted to the county council of the county of St. Louis and the governing body of each municipal district.

(c) During the transition period, the mayor and transition mayor shall jointly solicit public comment and, before November 15, 2022, shall jointly present to the public, at meetings called for such purpose, a plan to create, organize, and abolish executive and administrative departments, divisions, bureaus, commissions, boards, offices, and employments, and transfer the functions and duties thereof, as necessary and proper to effectuate this section and to ensure the proper and efficient administration of the affairs of the metropolitan city. The plan shall provide for the exercise of executive and administrative powers and duties of counties and county officers prescribed by this constitution and laws of the state and shall provide for the exercise of executive and administrative powers, privileges, duties, and functions of the metropolitan city prescribed in this section, including, without limitation, providing or securing the provision of general district services throughout the territory of the metropolitan city. On or after January 1, 2023, the plan shall be submitted to the metropolitan council and shall take effect within thirty days of submission, unless disapproved by resolution adopted by two-thirds of all members voting in the affirmative, provided that if the plan would affect the department of judicial administration, such plan shall not become effective unless upon the concurrence of a majority of the circuit judges within the metropolitan city. Upon taking effect, the plan shall take the place of and supersede charter provisions, ordinances, resolutions, rules, regulations, and orders inconsistent therewith.

(d) Notwithstanding any provision of law or this constitution, during the transition period, the county council of the county of St. Louis and the governing body of the municipal district located within the territory heretofore of the city of St. Louis, upon the joint recommendation of the mayor and transition mayor, shall adopt resolutions, ordinances, and orders consistent with this section and its orderly implementation and administration, with such resolutions, ordinances, and orders deemed as on behalf of the metropolitan city upon their adoption by both such bodies and the joint approval thereof by the mayor and transition mayor, and may continue to separately adopt resolutions, ordinances, and orders consistent with this section and its orderly implementation and administration applying to their respective territories.

(e) During the transition period, the governing body of a municipal district shall administer the affairs of the municipal district, provided that, unless upon the joint approval of the mayor and transition mayor, no municipal district shall incur any new obligation extending beyond the transition period with respect to the provision of general district services, other than with respect to the refunding of financing obligations, nor dispose of its property, except as required by contract.

(f) During the transition period, it shall be the affirmative duty of any official or employee of the metropolitan city, the county of St. Louis, or a municipal district to cooperate in the orderly administration and implementation of this section under the joint direction of the mayor and transition mayor and to refrain from any official action that would impair or frustrate its orderly administration and implementation.

(8) Notwithstanding any provision of law or this constitution, upon the effective date of this section, the powers and duties of any county office of the city of St. Louis or the county of St. Louis shall be deemed exercised or performed on behalf of the metropolitan city. Except as otherwise provided in this section, on or before January 1, 2022, all property, contracts, records, and personnel related to any such county office shall be transferred to the corresponding office of the metropolitan city. Incumbents serving in such offices shall serve the remainder of the term for which they were elected or appointed, subject to any right of resignation, and shall receive compensation therefor in the performance of such duties directed by the metropolitan city.

(9) The entire territory of the metropolitan city shall be a general services district throughout which the metropolitan city shall provide or secure the provision of general district services, including within the territory of any municipal district. Notwithstanding the foregoing, a municipal district shall continue to provide or secure the provision of a general district service on behalf of the metropolitan city until provided or secured by the metropolitan city within the territory of the municipal district pursuant to executive order or ordinance of the metropolitan city. Except as otherwise provided in this section and excluding any fund balance of a municipal district, any property, contracts, records, and personnel of a municipal district related to providing or securing a general district service shall be transferred to the metropolitan city upon the metropolitan city providing or securing the provision of a general district service within the territory of the municipal district.

(10)(a) The metropolitan city shall enforce its ordinances, resolutions, rules, regulations, and orders throughout its territory. Ordinances, resolutions, rules, regulations, and orders of the county of St. Louis in effect immediately prior to the effective date of this section shall remain effective as ordinances, resolutions, rules, regulations, and orders of the metropolitan city and shall be enforced by the metropolitan city until repealed, modified, or amended by the metropolitan city, except to the extent of any conflict with this section. Charter provisions, ordinances, resolutions, rules, regulations, and orders of any municipality in effect immediately prior to the effective date of this section shall become effective as ordinances, resolutions, rules, regulations, and orders of the metropolitan city as if enacted or promulgated by the metropolitan city and shall be enforced by the metropolitan city with respect to the territory to which they applied immediately prior to the effective date of this section until repealed, modified, or amended by the metropolitan city, except to the extent of any conflict with this section. Notwithstanding the foregoing, during the transition period, a municipal district may, under the direction of the metropolitan city, continue to enforce such ordinances, resolutions, rules, regulations, and orders within its territory, and such enforcement shall be deemed on behalf of

the metropolitan city. All ordinances, resolutions, rules, regulations, or orders of the metropolitan city shall be construed to effectuate this section.

(b) The metropolitan city counselor shall review all charter provisions, ordinances, resolutions, rules, regulations, and orders and shall solicit public comments related thereto. By no later than November 15, 2022, the metropolitan city counselor shall issue a report on such modifications and revisions necessary or advisable, including, without limitation, to resolve any conflicts whereby any rights, remedies, entitlements, or the enforcement thereof, cannot reasonably be reconciled. The metropolitan council may adopt the report by ordinance, and, upon adoption, the charter, ordinances, resolutions, rules, regulations, and orders in effect shall be deemed modified to reflect the report so adopted.

(11)(a) Upon the effective date of this section, the jurisdiction of the municipal court for the county of St. Louis shall be extended to the entire territory of the metropolitan city and shall constitute the municipal court for the metropolitan city. The municipal court shall have jurisdiction to hear and determine cases involving violations of ordinances in the manner provided by this constitution or by law, rule, charter, or ordinance. Notwithstanding the foregoing, during the transition period, a municipal court within the metropolitan city immediately prior to the effective date of this section may continue to operate as a division of the municipal court of the metropolitan city, with any act of such division deemed performed on behalf of the municipal court of the metropolitan city. On or before January 1, 2023, property, contracts, records, and personnel of any municipal court within the metropolitan city immediately prior to the effective date of this section shall be transferred to the municipal court of the metropolitan city.

(b) The metropolitan city may authorize the municipal court to operate within divisions and in such locations as are convenient to residents of the metropolitan city and which may correspond with the geographic boundaries of one or more municipal courts immediately prior to the effective date of this section. Except as otherwise provided in this section, the municipal court shall have such municipal judges, and the necessary non-judicial personnel assisting them, as provided by law and ordinance. Unless otherwise provided by ordinance of the metropolitan city respecting a municipal court, the mayor shall appoint, with advice and consent of the metropolitan council, the judges of the municipal court. The metropolitan city shall prescribe by ordinance the tenure and compensation of the judges of the municipal court. Municipal judges and necessary non-judicial personnel shall serve full-time, unless otherwise provided by charter of the metropolitan city, provided that the compensation for any full-time judge of the municipal court shall not exceed the compensation for an associate circuit judge.

(c) The clear proceeds of all penalties, forfeitures, and fines collected by the municipal court shall be distributed annually to the schools of the metropolitan city according to law.

### 3. Municipal Districts.

(1)(a) Upon the effective date of this section, a municipality shall continue its corporate existence as a municipal district, with its name the term "Municipal District" preceded by the name of the municipality, less any previous designation as to city, town, or village, unless otherwise designated by the municipal district or by law. A municipal district of the metropolitan city, which is hereby created, shall be a political subdivision, body corporate and politic, and municipal corporation, exercising and performing such powers, privileges, duties, and functions of the municipality necessary and proper: (i) to provide or secure the provision of a municipal district service not otherwise provided or secured within its territory; (ii) to provide or secure the provision of a general district service until provided or secured by the metropolitan

city within the territory of the municipal district pursuant to executive order or ordinance of the metropolitan city; and (iii) for the satisfaction of outstanding obligations of any kind incurred by the municipality prior to the effective date of this section.

(b) All rights, duties, personnel, property, contracts, records, assets, liabilities, and obligations of any kind of the municipality, including, without limitation, the payment of principal and interest on financing obligations and any obligation related to employee benefits, including, without limitation, pension, retirement, disability, death, medical, life insurance, and similar benefits for employees, eligible dependents, and beneficiaries, and any sums required to be paid by the municipality pursuant to Chapter 86 of the revised statutes of Missouri, shall continue without impairment with the municipal district by operation of this section. Except as otherwise provided in this section, the municipal district and the territory therein shall continue to be held responsible for any such outstanding obligation to the same extent as the municipality immediately prior to the effective date of this section, and any tax, license, fee, or special assessment levied or imposed for the satisfaction of any outstanding obligation shall continue to be levied or imposed within its territory until such obligation is satisfied or the obligation terminates pursuant to the terms thereof. The municipal district may refinance or refund any outstanding financing obligation in the manner provided by law for the municipality. Any property or interest therein securing an outstanding financing obligation shall remain the property of the municipal district until such financing obligation is satisfied, unless otherwise provided pursuant to the terms thereof. Notwithstanding the foregoing, the metropolitan city may assume any outstanding obligation of the municipal district, provided that no such assumption shall impair any obligation of contract.

(2)(a) The governing body of a municipal district shall be the governing body of the municipality, exercising and performing such powers, privileges, duties, and functions of the governing body of the municipality necessary and proper to effectuate this section and for the proper and efficient administration of the municipal district, including, without limitation, serving the function of a planning commission and board of adjustment to the metropolitan city, in the manner authorized by the metropolitan city, with respect to zoning ordinances applicable to territory of the municipal district.

(b) Notwithstanding any provision of law or this constitution, the initial governing body shall consist of the members of the governing body of the municipality duly serving immediately prior to the effective date of this section, who shall assume office with the municipal district upon the effective date of this section and hold office until a successor is duly serving following election, beginning with the first general municipal election following the transition period.

(c) Upon the effective date of this section, a board or commission of the municipality, and which is not the governing body of a special district, shall continue as a board or commission of the municipal district, until otherwise provided by the municipal district, by the metropolitan city, or by law, with the members duly serving holding office until a successor is duly appointed in a manner consistent with that of the municipality or as provided by law.

(3) The boundaries of a municipal district shall not be altered except as approved by ordinance of the metropolitan city. Following the transition period, a municipal district may merge or consolidate with one or more municipal districts or may be dissolved as authorized by ordinance of the metropolitan city providing for the transfer of any rights, duties, personnel, property, contracts, assets, liabilities, and obligations and the procedure and effective date for such merger, consolidation, or dissolution. Such ordinance may provide for creation of a new

municipal district to assume the powers, privileges, duties, and functions of any municipal districts so subsumed.

4. The St. Louis Municipal Corporation.

(1)(a) On January 1, 2023, the municipal district within the territory heretofore in the city of St. Louis shall continue its corporate existence as a political subdivision and municipal corporation, with its name “The St. Louis Municipal Corporation.” The St. Louis Municipal Corporation shall exercise and perform such powers, privileges, duties, and functions of the municipal district necessary and proper: (i) for the satisfaction of outstanding obligations of any kind of the municipal district; and (ii) to provide or secure the provision of a municipal district service not otherwise provided or secured within its territory, except as otherwise provided by ordinance of the metropolitan city.

(b) Except as otherwise provided in this section, all rights, duties, personnel, property, contracts, records, assets, liabilities, and obligations of any kind of the municipal district within the territory heretofore in the city of St. Louis, including, without limitation, the payment of principal and interest on financing obligations, and any obligation related to employee benefits, including, without limitation, pension, retirement, disability, death, medical, life insurance, and similar benefits for employees, eligible dependents, and beneficiaries, and any sums required to be paid by the municipality pursuant to Chapter 86 of the revised statutes of Missouri, shall continue without impairment with the St. Louis Municipal Corporation by operation of this section. Except as otherwise provided in this section, the St. Louis Municipal Corporation and the territory therein shall continue to be held responsible for any such outstanding obligation to the same extent as the municipal district within the territory heretofore in the city of St. Louis, and any tax, license, fee, or special assessment levied or imposed for the satisfaction of any outstanding obligation shall continue to be levied or imposed within its territory until such obligation is satisfied or the obligation terminates pursuant to the terms thereof. The St. Louis Municipal Corporation may refinance or refund any outstanding financing obligation in the manner provided by law for the municipality. Any property or interest therein securing any outstanding financing obligation shall remain the property of the St. Louis Municipal Corporation until such financing obligation is satisfied, unless otherwise provided pursuant to the terms thereof. Notwithstanding the foregoing, the metropolitan city may assume any outstanding obligation of the St. Louis Municipal Corporation, provided that no such assumption shall impair any obligation of contract.

(2) The governing body of the St. Louis Municipal Corporation shall be comprised of a board of directors of five qualified voters appointed by the transition mayor, with three directors appointed for terms of three years and two appointed for terms of two years. Such initial members shall assume office on January 1, 2023, and shall hold office until a successor is duly appointed by the mayor of the metropolitan city. Notwithstanding the foregoing, the members of the governing body of the municipal district shall serve the remainder of the term of office for which they were elected or appointed, subject to any right of resignation, and receive compensation therefor in the performance of such duties as directed by the governing body of the St. Louis Municipal Corporation.

(3)(a) As provided in this section for a municipal district, the territory of the St. Louis Municipal Corporation shall continue as a taxing subdistrict of the metropolitan city, and the St. Louis Municipal Corporation shall continue as a separate taxing district, provided that it may exercise only such taxing powers of the municipal district authorized for its exercise by

ordinance of the metropolitan city, except as otherwise provided in this section for the satisfaction of any outstanding obligation.

(b) The metropolitan city shall distribute funds to the St. Louis Municipal Corporation in the manner and for the purposes provided in this section with respect to a municipal district, including, without limitation, funds required to be paid to a retirement system pursuant to Chapter 86 of the revised statutes of Missouri, and may levy or impose a tax, license, fee, or special assessment solely within the territory of the St. Louis Municipal Corporation in the manner and for the purposes provided in this section with respect to a tax, license, fee, or special assessment of the metropolitan city levied or imposed solely within the territory of a municipal district.

(c) Unless otherwise provided by ordinance of the metropolitan city, the St. Louis Municipal Corporation shall be deemed a municipal district for purposes of determining the right to receive, and for the calculation and receipt of, distributions, allocations, remittances, and reimbursements of any kind from the state or United States government, or from any other agency, public or private.

#### 5. Finances.

(1)(a) General district services and the satisfaction of outstanding obligations of any kind of the metropolitan city shall be financed with funds generated throughout the territory of the metropolitan city, including within the territory of any municipal district thereof, or otherwise secured by the metropolitan city. Municipal district services provided or secured by a municipal district within its territory and the satisfaction of outstanding obligations of any kind of a municipal district shall be financed with funds generated within the territory of the municipal district, or otherwise secured by the municipal district.

(b) Notwithstanding any provision of law or this constitution, the metropolitan city shall be empowered to take any and all actions necessary and proper to ensure the satisfaction of outstanding obligations incurred prior to the effective date of this section and to prevent any impairment thereof.

(2)(a) Except as otherwise provided in this section, the tax structure, tax rates, and level of services in effect immediately prior to the effective date of this section shall remain in effect until modified by the metropolitan city. Notwithstanding any provision of law or this constitution, in order to maintain the tax structure, tax rates, and level of services, all taxes, licenses, fees, and special assessments levied or imposed by the county of St. Louis or by a municipality shall continue as a tax, license, fee, or special assessment of the metropolitan city with respect to the territory to which the same applied immediately prior to the effective date of this section, until modified by the metropolitan city, but shall remain subject to any duty or requirement regarding the use of funds generated thereby and shall remain subject to any requirement imposed by law for voter approval of the continued levy or imposition of any such tax initially levied or imposed prior to the effective date of this section. Notwithstanding any provision of law or this constitution, the continuation of any such taxes, licenses, fees, and special assessments shall not be deemed an action by a political subdivision in levying, increasing, or broadening the base of an existing tax, license, or fee.

(b)(i) The metropolitan city shall distribute to the municipal district funds generated by any tax, license, fee, or special assessment of the metropolitan city initially levied by the municipality as required for the satisfaction of any outstanding obligation. If any outstanding obligation is subject to the appropriation of funds therefor, the governing body of the municipal district shall determine whether and to what extent funds shall be appropriated therefor.

(ii) Except as otherwise provided in this section, the metropolitan city shall distribute any remaining funds generated by any property tax or special assessment of the metropolitan city initially levied by the municipality to the municipal district for providing or securing the provision of municipal district services within its territory, and for providing or securing the provision of a general district service until such service is provided or secured by the metropolitan city within the territory of the municipal district pursuant to executive order or ordinance of the metropolitan city.

(iii) Except as otherwise provided in this section, the metropolitan city shall, from any remaining funds generated by any sales or use tax of the metropolitan city initially levied or imposed by the municipality, distribute to the municipal district funds necessary for providing or securing the provision of municipal district services within its territory, and for providing or securing the provision of a general district service until such service is provided or secured by the metropolitan city within the territory of the municipal district pursuant to executive order or ordinance of the metropolitan city.

(3) Each municipal district shall constitute a taxing subdistrict of the metropolitan city. Notwithstanding any provision of law or this constitution: (i) taxes, licenses, fees, or special assessments of the metropolitan city levied or imposed solely within the territory of a municipal district may be different than taxes, licenses, fees, or special assessments of the metropolitan city levied or imposed generally throughout its territory; (ii) the metropolitan city may levy or impose a tax, license, fee, or special assessment solely within the territory of a municipal district in order to ensure the satisfaction of any outstanding obligation, including, without limitation, financing obligations, incurred by the municipality prior to the effective date of this section; and (iii) the metropolitan city may levy or impose a tax, license, fee, or special assessment solely within the territory of a municipal district to provide or secure the provision of, or to increase the level of, any services provided or secured within the territory of the municipal district. Any such tax, license, fee, or special assessment levied or imposed shall be subject to voter approval to the extent required by this constitution for the municipality, and the metropolitan city may issue financing obligations for the purposes provided herein, subject to the requirements of this constitution for voter approval thereof.

(4)(a) In addition to constituting a taxing subdistrict of the metropolitan city, each municipal district shall be a separate taxing district with the taxing powers specified in this section and as may be provided by law. A municipal district may, in the manner and to the extent heretofore authorized for the municipality, exercise the following taxing powers for providing or securing the provision of municipal district services and for providing or securing the provision of a general district service until such service is provided or secured by the metropolitan city within the territory of the municipal district: (i) continue to levy a property tax or special assessment previously levied by the municipality, or levy a property tax or special assessment, which new levy may be in addition to any such property tax or special assessment of the metropolitan city; and (ii) continue to levy a tax upon utilities previously levied by the municipality, or levy a tax upon utilities within the municipal district, which shall be in the place of any such tax upon utilities the metropolitan city is authorized to levy within the territory of the municipal district. The governing body of the municipal district shall set the rate of any property tax or special assessment levied by the municipal district in the manner provided by law and this constitution for the municipality.

(b) A municipal district may, in the manner and to the extent authorized for the municipality and as may be provided by law, charter, or ordinance of the metropolitan city,

continue to impose and collect licenses and fees previously imposed and collected by the municipality, or impose and collect licenses and fees for providing or securing the provision of municipal district services, and for providing or securing the provision of a general district service until such service is provided or secured by the metropolitan city within the territory of the municipal district.

(c) A municipal district may issue financing obligations for the foregoing purposes in the manner provided by law and this constitution for the municipality.

(d) The fiscal year of each municipal district shall be the same as the fiscal year for the metropolitan city. The governing body of a municipal district shall administer the revenues generated from taxes, licenses, fees, and special assessments, along with any funds otherwise secured by the municipal district in a manner consistent with that provided for the municipality and as may be provided by law, charter, or ordinance of the metropolitan city, pursuant to an annual budget adopted by the governing body, beginning with an annual budget for the fiscal year beginning January 1, 2023.

(e) Except as otherwise provided by law, charter, or ordinance of the metropolitan city, not later than ninety days prior to the first day of each fiscal year, beginning with the fiscal year beginning January 1, 2023, the governing body of a municipal district shall submit to the metropolitan city a true and accurate estimate of: (i) all outstanding obligations of any kind, including, without limitation, the principal, interest, and other amounts required to be paid on any financing obligations for the ensuing fiscal year; (ii) the expenditures necessary to provide or secure the provision of services for the ensuing fiscal year; and (iii) the funds, revenues, taxes, licenses, fees, and special assessments for such purposes for the ensuing fiscal year. Except as otherwise provided in this section with respect to the transition period and as may be otherwise provided by law, charter, or ordinance of the metropolitan city following the effective date of this section, the metropolitan city shall make distributions pursuant to this section in accordance with the estimate so certified by the municipal district.

(5)(a) The metropolitan city shall be entitled to receive all funds from the state or United States government, or from any other agency, public or private, to the extent and in the manner in which any county or city of the state is, or may in the future be, entitled to receive such funds. The metropolitan city shall be deemed both a city and a county for determining the right to receive funds from the state or United States government, or from any other agency, public or private.

(b) A municipal district shall be entitled to receive all funds from the state or United States government, or from any other agency, public or private, that are in furtherance of any power conferred upon a municipal district. A municipal district shall be deemed a political subdivision of the state and a municipal corporation for the purpose of determining the right to receive funds from the state or United States government, or from any other agency, public or private.

(c) Notwithstanding any provision of law or this constitution, all apportionments, distributions, allocations, remittances, and reimbursements of any kind from the state or United States government, or from any other agency, public or private, to counties, cities, towns, or villages that the county of St. Louis or any municipality was eligible to receive immediately prior to the effective date of this section, including, without limitation, the proceeds of taxes, licenses, and fees apportioned and distributed pursuant to this constitution or law, shall be calculated in the same manner as if the reorganization pursuant to this section had not occurred, but any such apportionments, distributions, allocations, remittances, and reimbursements shall be made to the

metropolitan city, which shall distribute to the municipal district such portion thereof required for the satisfaction of any outstanding obligation, or necessary for providing or securing the provision of municipal district services within its territory, and for providing or securing the provision of a general district service until such service is provided or secured by the metropolitan city within the territory of the municipal district.

(6)(a) Notwithstanding any provision of law or this constitution, except as otherwise provided in this section, the budget of the metropolitan city and the municipal districts thereof for each year of the transition period shall be the combined adopted budgets for the county of St. Louis and for each municipality covering the twelve-month period beginning January 1, 2019, along with any supplemental or emergency appropriations, and any additional appropriations necessary for the satisfaction of any obligations of the county of St. Louis or any municipality adopted during the twelve-month period beginning January 1, 2020. Such budget shall be the complete financial plan for the metropolitan city and the municipal districts thereof for each year of the transition period. The amounts appropriated therein shall be deemed effective for each year of the transition period, and the taxes, licenses, fees, and special assessments levied and imposed in support thereof are hereby levied and imposed at the rates provided therein for each year of the transition period in order to create and provide new revenues in support of such appropriations. Notwithstanding any provision of law or this constitution, no adjustment to the rate of any levy therein shall be required during the transition period.

(b) The mayor and transition mayor shall jointly administer the budget for each year of the transition period. The mayor and transition mayor may jointly control the rate at which any appropriation is expended by allotment, may jointly reduce expenditures below appropriations, and may jointly transfer appropriations to ensure the proper and efficient administration of the metropolitan city and the municipal districts thereof during the transition period, provided that the mayor and transition mayor shall not reduce any appropriation for the payment of principal and interest on financing obligations. Notwithstanding any provision of law or this constitution, if jointly recommended by the mayor and transition mayor, the county council of the county of St. Louis and the governing body of the municipal district located within the territory heretofore in the city of St. Louis shall by ordinance make supplemental or emergency appropriations from available funds, and such ordinances shall be deemed on behalf of the metropolitan city upon their adoption by both such bodies and the joint approval thereof by the mayor and transition mayor.

(c) During the transition period, the metropolitan city shall distribute, to the municipal district, funds generated from any tax, license, fee, or special assessment of the metropolitan city initially levied by the municipality: (i) as required for the satisfaction of any outstanding obligation of the municipal district, including, without limitation, financing obligations of the municipality; (ii) as necessary for providing or securing the provision of municipal district services within its territory; and (iii) as necessary for providing or securing the provision of a general district service until such service is provided or secured by the metropolitan city within the territory of the municipal district pursuant to executive order or ordinance of the metropolitan city.

(7)(a) Not later than November 15, 2022, the mayor and transition mayor shall jointly recommend and publish a balanced budget for the metropolitan city, which shall provide a complete financial plan for the metropolitan city for the ensuing fiscal year and shall include proposed tax rates, all estimated income and revenue, all proposed expenditures, and such other matters as may be necessary or advisable.

(b) The metropolitan city shall set the rate of any property tax or special assessment of the metropolitan city, including any property tax or special assessment of the metropolitan city levied solely within the territory of a municipal district, in the manner provided in this constitution and by law, except that the rate of the property tax levy for general county purposes levied solely within the territory heretofore in the county of St. Louis shall be reduced, for each subclass of real property and for personal property, to yield revenues no greater than half of the amount of revenues generated by such levy during the prior fiscal year.

(c) On or after January 1, 2023, the budget may be adopted in the manner provided by charter and ordinance, except as otherwise provided in this section. The amounts appropriated and the taxes, licenses, fees, and special assessments levied or imposed in support thereof for the current fiscal year shall be deemed appropriated and levied or imposed for the ensuing fiscal year on a month-to-month basis, with all items prorated accordingly, until such time as the metropolitan council does adopt the budget. The mayor may object to one or more items or portions of items of appropriation, other than an appropriation for the payment of principal and interest on financing obligations, in any ordinance presented, and such items or portions of items shall not take effect unless separately reconsidered and adopted by the metropolitan council with two-thirds of all members voting in the affirmative, the objections of the mayor notwithstanding.

(d) Following adoption of the annual budget, the mayor may control the rate at which any appropriation is expended by allotment, may reduce expenditures below appropriations whenever the actual revenues are less than the revenues upon which the appropriations were based, and may transfer appropriations to ensure the proper and efficient administration of the metropolitan city, provided that the mayor shall not reduce any appropriation for the payment of principal and interest on financing obligations. If recommended by the mayor, the metropolitan council may by ordinance make supplemental or emergency appropriations from available funds during the fiscal year.

(8)(a) Not later than sixty days prior to each fiscal year, beginning with the fiscal year beginning January 1, 2024, the mayor shall recommend to the metropolitan council a balanced budget, which shall provide a complete financial plan for the metropolitan city for the ensuing fiscal year and shall include proposed tax rates, all estimated income and revenue, all proposed expenditures, and such other matters as may be necessary or advisable.

(b) The metropolitan city shall annually set the rate of any property tax or special assessment of the metropolitan city, including any property tax or special assessment of the metropolitan city levied solely within the territory of a municipal district, in the manner provided in this constitution and by law, except that the property tax levy of the metropolitan city for general county purposes levied solely within the territory heretofore in the county of St. Louis shall be levied throughout the territory of the metropolitan city, for each subclass of real property and for personal property, and shall be in place of the corresponding property tax levy of the metropolitan city for general county purposes levied solely within the territory heretofore in the city of St. Louis.

(c) The budget may be adopted in the manner provided by charter and ordinance, except as otherwise provided in this section. The amounts appropriated and the taxes, licenses, fees, and special assessments levied or imposed in support thereof for the current fiscal year shall be deemed appropriated and levied or imposed for the ensuing fiscal year on a month-to-month basis, with all items prorated accordingly, until such time as the metropolitan council does adopt the budget. The mayor may object to one or more items or portions of items of appropriation, other than an appropriation for the payment of principal and interest on financing obligations, in

any ordinance presented, and such items or portions of items shall not take effect unless separately reconsidered and adopted by the metropolitan council with two-thirds of all members voting in the affirmative, the objections of the mayor notwithstanding.

(d) Following adoption of the annual budget, the mayor may control the rate at which any appropriation is expended by allotment, may reduce expenditures below appropriations whenever the actual revenues are less than the revenues upon which the appropriations were based, and may transfer appropriations within any department of the budget to ensure the proper and efficient administration of the metropolitan city, provided that the mayor shall not reduce any appropriation for the payment of principal and interest on financing obligations. If recommended by the mayor, the metropolitan council may by ordinance make supplemental or emergency appropriations from available funds during the fiscal year.

#### 6. The St. Louis Fire Protection District.

(1)(a) Notwithstanding any provision of law or this constitution, on January 1, 2023, there is hereby established a fire protection district, coextensive with the boundaries of the territory heretofore in the city of St. Louis, to exercise the powers, privileges, duties, and functions now vested or in the future granted to a fire protection district pursuant to chapter 321 of the revised statutes of Missouri, with its name "The St. Louis Fire Protection District." Such fire protection district shall be a political subdivision, municipal corporation, and a body corporate and politic, providing fire protection, emergency medical, and related services authorized by law for a fire protection district.

(b) The fire protection district shall be governed by a board of directors with the powers, privileges, duties, and functions now or in the future granted by law to such boards. The initial board shall be comprised of five qualified voters appointed by the transition mayor, with three directors appointed for terms of three years and two appointed for terms of two years. Thereafter, members shall be elected to terms as provided by law for a fire protection district and serve until successors are duly elected and qualified in the manner provided by law for a fire protection district.

(c) Except as otherwise provided in this section, any property, contracts, records, and personnel related to the provision of fire protection, emergency medical, and related services within the territory heretofore in the city of St. Louis shall be transferred to the fire protection district. Any employee so transferred who has completed the training and instruction requirements applicable within the territory of the city of St. Louis shall be deemed as having completed the training and instruction requirements applicable to the territory of the metropolitan city.

(2)(a) For the fiscal year beginning January 1, 2023, the board shall certify to the metropolitan city the amount necessary to be raised by taxation and, with other revenues, to support the fire protection district, and shall certify the rate of levy which, when levied upon taxable property within the district as shown by the last completed assessment, shall raise the amount of revenues necessary to be raised by taxation. During the fiscal year beginning January 1, 2023, the metropolitan city shall distribute to the fire protection district, from funds generated solely within the territory heretofore in the city of St. Louis, the amount of revenues necessary to be raised by taxation so certified by the board. In addition to such distribution, during such fiscal year, the metropolitan city may, by ordinance, make appropriations to the fire protection district from funds generated solely within the territory heretofore in the city of St. Louis.

(b) Notwithstanding any provision of law or this constitution, effective for the fiscal year beginning January 1, 2024, the board is hereby authorized to levy, on all taxable property within

the territory of the district, a tax sufficient to produce from all taxable property, exclusive of new construction and improvements, substantially the same amount of revenue certified by the board as necessary to be raised by taxation for the prior fiscal year, subject to voter approval as required by this constitution. Upon such levy, the metropolitan city shall adjust the rates of taxes, licenses, and fees levied or imposed by the metropolitan city within the fire protection district, other than a tax, license, or fee levied for the satisfaction of any outstanding financing obligation, so to reduce the revenues generated overall thereby by substantially the same amount of revenues generated by the levy of the fire protection district.

(c) For each year beginning on or after January 1, 2025, the board shall determine the amount necessary to be raised by taxation and, with other revenues, to support the fire protection district, and shall set the rate of tax on all taxable property within the territory of the district to raise the amount required, in the manner provided by law and this constitution for a fire protection district. The board may fix an additional rate and may levy an additional tax for the purposes and in the manner authorized by law for a fire protection district.

(d) Until such time as the board has levied a tax authorized herein, the metropolitan city shall distribute funds annually to the fire protection district in the manner provided herein for the fiscal year beginning January 1, 2023.

(3) The fire protection district may assume any outstanding obligations related to the services to be provided by the district within the territory heretofore in the city of St. Louis, including, without limitation, the payment of principal and interest on financing obligations, and any obligations related to employee benefits, including, without limitation, pension, retirement, disability, death, medical, life insurance, and similar benefits for employees, eligible dependents, and beneficiaries, provided that no such assumption shall impair any obligation of contract. The board shall make provision for the payment of principal, interest, and other amounts required to be paid on any outstanding financing obligation so assumed by levy of a sufficient tax within the district in the manner authorized by law for a fire protection district.

#### 7. Elections.

(1)(a) Following the effective date of this section, the general assembly shall provide by law for a board of election commissioners or other election authority to perform such duties and possess such powers as provided by law with respect to the conduct of elections within the metropolitan city. Until such time as the general assembly has provided for a board of election commissioners or other election authority, the respective boards of election commissioners shall cooperate in the performance of the duties provided by law for a board of election commissioners in the conduct of elections within the metropolitan city.

(b) Following the effective date of this section, the general assembly shall provide for party committees of the metropolitan city organized in the manner and to perform such duties provided by law for county party committees. Until such time as the general assembly has provided for such party committees, the respective party committees shall cooperate in the performance of duties provided by law for county party committees.

(2)(a) Notwithstanding any provision of law or this constitution, during the transition period, neither the metropolitan city nor any municipal district thereof shall have the power to submit any question to voters with respect to the continued levy or imposition of any tax initially levied or imposed by a municipality prior to the effective date of this section. Upon the failure to submit any question to voters with respect to the continued imposition or levy of any tax on earnings, such tax shall be reduced in the manner provided by law, and any tax on payroll expense initially levied or imposed by a municipality prior to the effective date of this section

shall be reduced by one-twentieth of one percent annually until such tax is eliminated. Notwithstanding any provision of law or this constitution and notwithstanding any reduction of such levies, the St. Louis Municipal Corporation shall satisfy any outstanding financing obligations from available revenues, and the metropolitan city shall distribute to the St. Louis Municipal Corporation, from revenues generated within the territory of the St. Louis Municipal Corporation, such revenues as may be required for the satisfaction of any such outstanding financing obligation.

(b) Notwithstanding any provision of law or this constitution, in the event of the death, resignation, or inability to serve of both persons designated by this section to serve in the offices of mayor and transition mayor prior to the effective date of this section, the prosecuting attorney of the metropolitan city and the assessor of the metropolitan city shall jointly possess and exercise the powers and duties of the office of mayor and transition mayor, and shall jointly act as the chief executive officer of the metropolitan city until such time as a mayor is elected by the qualified voters of the metropolitan city at the general municipal election in 2021 and has assumed office ten days thereafter. Notwithstanding any provision of this section, the mayor so elected shall constitute the chief executive officer of the metropolitan city and shall exercise and perform any power, duty, or function otherwise to be jointly exercised by the mayor and the transition mayor during the transition period and shall exercise and perform any power, duty, or function of mayor until January 1, 2023, when a successor elected at the general election in 2022 is duly serving. Except for the election of the mayor as provided in this paragraph, during the transition period, neither the metropolitan city nor any municipal district thereof shall have the power to call an election or to submit any question to voters with respect to any other office of the metropolitan city or of any municipal district.

(c) Nothing herein shall be construed to prevent a school district, fire protection district, or special district from submitting any question to voters, and the costs of submitting such shall be borne according to law.

#### 8. Judicial Circuit Boundaries.

(1) Notwithstanding any provision of law or this constitution, upon the effective date of this section, the judicial conference of the state of Missouri, as established by law, is hereby authorized to submit a circuit realignment plan, in the manner provided by section 478.073 of the revised statutes of Missouri, for the alteration of the geographical boundaries of the judicial circuits to create a single judicial circuit for the metropolitan city, provided that no judge shall be removed from office during his or her term by reason of any alteration of the geographical boundaries of any judicial circuit. Such plan shall become effective January first of the year following the session of the general assembly to which it is submitted, unless a bill providing such is presented to the governor and is duly enacted. Nothing herein shall be construed to prohibit the general assembly from providing by law for the alteration of the geographical boundaries of the judicial circuits as authorized by this constitution.

(2) Notwithstanding any provision of law or this constitution, the judges of the circuit courts for the city of St. Louis and for the county of St. Louis shall continue as judges of any judicial circuit for the metropolitan city, and the number of judges for any such circuit shall be the number authorized by law for both circuits as of the effective date of this section, unless subsequently modified in the manner provided by law.

(3) Whenever a vacancy shall occur in the office of circuit judge or associate circuit judge of a circuit court within the metropolitan city, the vacancy shall be filled in the manner provided by article V, sections 25(a)-(g) of this constitution.

## 9. Special Districts.

(1)(a) Notwithstanding any provision of law or this constitution, upon the effective date of this section, all special districts and any provisions of this constitution or the laws of this state pertaining thereto, shall continue unaffected, and all special districts shall continue to exercise all powers, privileges, duties, and functions authorized as of the effective date of this section, except that any power to appoint, nominate, or recommend an appointment to the governing body of a special district possessed by any official of the county of St. Louis or of a municipality immediately prior to the effective date of this section shall be exercised by the mayor, and any other power related to a special district possessed by the county of St. Louis or by a municipality immediately prior to the effective date of this section shall be exercised by the metropolitan city, unless otherwise provided by law or pursuant thereto following the effective date of this section.

(b) Nothing herein shall be construed to prohibit the general assembly from providing by law for the consolidation of special districts made duplicative by the adoption of this section, provided that no such consolidation shall impair any obligation of contract.

## 10. School Districts and Fire Protection Districts.

(1) Notwithstanding any provision of law or this constitution, nothing herein shall be construed as affecting any school district or school, or any provisions of this constitution or the laws of this state pertaining thereto, and such laws and constitutional provisions shall continue in operation with respect to such school district or school, as if the reorganization adopted pursuant to this section had not occurred, including, without limitation, any law that constitutes the territorial boundaries of any school district based on the territorial boundaries of any municipality.

(2) Notwithstanding any provision of law or this constitution, nothing herein shall be construed as affecting any fire protection district located wholly or partially within the territory in the city of St. Louis or the county of St. Louis immediately prior to the effective date of this section, or any provisions of this constitution or the laws of this state pertaining thereto, and such laws and constitutional provisions shall continue in operation with respect to such fire protection district, as if the reorganization adopted pursuant to this section had not occurred.

## 11. General Provisions.

(1)(a) Nothing in this section shall be construed to impair any obligation of contract, and the provisions of this section shall be administered so as to preserve and protect any vested rights therein. Any conflict in the provisions of contracts, bonds, franchises, deeds, obligations, and instruments shall be resolved in a manner that shall protect and preserve any vested rights and shall not impair the rights of any parties thereto.

(b) No action shall be taken to impair any contract with or any claim in favor of or against the county of St. Louis or any municipality in existence immediately prior to the effective date of this section or to impair or affect the validity of any outstanding obligation of any kind incurred prior to the effective date of this section.

(c) All actions, causes of action, rights, duties, titles, claims, debts, judgments, recognizances, fines, penalties, forfeitures, and obligations of any kind in favor of or against the county of St. Louis or any municipality as of the effective date of this section shall continue in full force and effect in favor of or against the metropolitan city or a municipal district, as the case may be.

(d) Except as otherwise provided in this section, all matters pending before or under consideration by the county of St. Louis or any municipality immediately prior to the effective

date of this section may be acted upon and disposed of as if originated, initiated, or introduced with the metropolitan city or a municipal district, as the case may be.

(e) Notwithstanding any provision of law or this constitution, if the requisite vote of the electors of the county of St. Louis or of any municipality shall have occurred with respect to the issuance of financing obligations prior to the effective date of this section, the metropolitan city or a municipal district, as the case may be, shall have the right to take any and all steps necessary to issue the same, with the same effect as if such actions had been taken by the metropolitan city or a municipal district and as if the vote had been of the requisite vote of the electors of the metropolitan city or the municipal district, as the case may be.

(2)(a) Any employee transferred to the metropolitan city pursuant to this section shall be entitled to continue in service with the metropolitan city, with seniority, rank, compensation, and accrued benefits intact, until otherwise provided by ordinance or order of the metropolitan city. Any rights, protections, and privileges attributed to any such employee by a civil service or similar system shall continue unimpaired with respect to any such employee in a corresponding civil service or similar system of the metropolitan city. Notwithstanding any other provision of this subsection or law, any employee transferred to the metropolitan city pursuant to this section who was serving as chief, director, commissioner, or similar rank or position as the head of a department or office of a municipality, or any employee who was serving as assistant chief, deputy director, or similar rank or position immediately subordinate to the head of such department or office, shall be entitled to continue in service with the metropolitan city as provided in this subsection, but shall not be entitled to the rank or position as the head of a department or office of the metropolitan city or the immediate subordinate to the head of a department or office of the metropolitan city.

(b) Any employee transferred to the St. Louis Fire Protection District pursuant to this section shall be entitled to continue in service with the St. Louis Fire Protection District, with seniority, rank, compensation, and accrued benefits intact, until otherwise provided by the St. Louis Fire Protection District. Any rights, protections, and privileges attributed to any such employee by a civil service or similar system shall continue unimpaired with respect to any such employee in a corresponding civil service or similar system of the St. Louis Fire Protection District.

(c) Unless otherwise provided by ordinance of the metropolitan city following the transition period, any employee of the metropolitan city previously employed by the county of St. Louis or any municipality, other than the city of St. Louis, who is not a resident of the territory heretofore within the city of St. Louis and who became an employee of the metropolitan city as a result of the adoption of this section, shall be entitled to receive annually from the metropolitan city a refundable tax credit in an amount equal to the amount of taxation collected by the metropolitan city upon the earnings of such employee.

(3)(a) All collective bargaining agreements under negotiation or in existence with the county of St. Louis or any municipality immediately prior to the effective date of this section shall, if being negotiated, continue to be negotiated and, if in existence, continue in effect until the expiration of the terms of such agreements, at which time new agreements shall be negotiated with the metropolitan city, municipal district, or the St. Louis Fire Protection District, as the case may be; provided that, upon the metropolitan city assuming the provision of a general district service, the metropolitan city shall be the sole successor to any existing collective bargaining agreement in effect immediately prior to the effective date of this section between a recognized or certified majority collective bargaining representative and the county of St. Louis or the city

of St. Louis related to such general district service. The metropolitan city shall continue to recognize and bargain in good faith with such collective bargaining representatives and shall abide by the terms of any collective bargaining agreement then in effect.

(b) Should the adoption of this section result in the merger of one or more collective bargaining units with another such unit represented by recognized or certified collective bargaining representatives, any disputes concerning such merger with respect to collective bargaining agreements with the city of St. Louis or the county of St. Louis relating to the provision of a general district service assumed by the metropolitan city, including the status of a representative or conflicts between agreements, that cannot be resolved through negotiations shall be submitted to interest arbitration, which shall bind all required parties and which shall be conducted by an experienced labor interest arbitrator mutually selected by the metropolitan city and the affected collective bargaining representatives.

(c) Nothing herein shall be construed to affect, limit, or impair the rights of employees to organize and bargain collectively as provided in article I, section 29 of this constitution, and the provisions of this section shall be construed in harmony therewith.

(4)(a) Nothing herein shall deprive any person of any vested, non-forfeitable, and contractual right or privilege to retire or to retirement or pension benefits, including, without limitation, disability and death benefits, if any, earned prior to the effective date of this section in any retirement fund or pension system related to employment with the county of St. Louis or a municipality, including, without limitation, any retirement system created pursuant to Chapter 86 of the revised statutes of Missouri. All vested, non-forfeitable, and contractual rights, protections, and privileges of employees, eligible dependents, and beneficiaries in any retirement fund or pension system related to employment with the county of St. Louis or a municipality as of the effective date of this section, including, without limitation, any retirement system created pursuant to Chapter 86 of the revised statutes of Missouri, shall continue unimpaired until all benefits due such employees, eligible dependents, and beneficiaries have been paid.

(b) Employee members of a retirement fund or pension system, including, without limitation, any retirement system created pursuant to Chapter 86 of the revised statutes of Missouri, who are transferred to the metropolitan city or to the St. Louis Fire Protection District pursuant to this section shall remain members of and continue to earn service credit toward the benefits of such retirement fund or pension system, including, without limitation, disability and death benefits, during their employment with the metropolitan city. The metropolitan city or the St. Louis Fire Protection District, as the case may be, shall contribute proportionately to any such retirement fund or pension system for each such employee member with respect to their employment with the metropolitan city or the St. Louis Fire Protection District as required by law or ordinance, but any contribution or portion thereof attributed to benefits accrued prior to the transfer of such employee to the metropolitan city or to the St. Louis Fire Protection District shall remain an outstanding obligation satisfied solely from funds generated within the territory in which such obligation was incurred as provided in this section, provided that the St. Louis Fire Protection District may assume any such obligation for employees transferred to the district as provided in this section. The metropolitan city, municipal districts, and the St. Louis Municipal Corporation may purchase from an insurance company in accordance with federal fiduciary standards under the Employment Retirement Income Security Act of 1974 or its successor laws, annuities to provide for such retirement or pension benefits as necessary.

(c) Notwithstanding any provision of law or this constitution, the members of the board of trustees or similar governing body for any retirement fund or pension system created prior to

the effective date of this section shall continue to hold office until a successor is appointed and serving. The successor for such members who are office holders of a municipality shall be the assessor of the metropolitan city, and the successor for such members who were required to be appointed by any official of a municipality prior to the effective date of this section shall be appointed by the mayor.

(d) Nothing herein shall be construed to prohibit the general assembly from providing by law for the modification of any pension or retirement system created pursuant to state law, including, without limitation, any retirement system created pursuant to Chapter 86 of the revised statutes of Missouri, or to prohibit the metropolitan city from providing by charter or ordinance for the modification of any pension or retirement system created by charter or ordinance of a municipality or the county of St. Louis prior to the effective date of this section.

(5) Notwithstanding any provision of law or this constitution, a geographic or other designation in law or this constitution based upon the territorial boundaries of the county of St. Louis or of any municipality may continue to be construed as the territorial boundaries of the county of St. Louis or the municipality, as the case may be, as such boundaries existed immediately prior to the effective date of this section.

(6) Notwithstanding any provision of law or this constitution, any city, town, or village located partially but not wholly within the territory of the metropolitan city shall remain unaffected by this section, except that its territory located within the metropolitan city shall be detached and annexed to the metropolitan city upon the effective date of this section. The metropolitan city shall distribute annually to such city, town, or village, funds in an amount equal to the revenues generated within the former territory of such city, town, or village and that would have otherwise been received if the reorganization adopted pursuant to this section had not occurred, until otherwise provided by law. Notwithstanding any provision of law or this constitution, any municipal district with territory outside of the metropolitan city may continue providing or securing the provision of municipal district services within such territory, and the metropolitan city may provide or secure the provision of general district services within such territory, until otherwise provided by law.

(7) Notwithstanding any provision of this section, any charter provision in effect immediately prior to the effective date of this section requiring a public vote related to the sale, lease, or disposition of any real estate designated as a public park shall continue to apply to the territory to which it applied immediately prior to the effective date of this section, until amended in the manner provided in this section for amending the charter of the metropolitan city.

(8) The general assembly may enact such laws as may be necessary and proper to aid in effectuating this section and may regulate the metropolitan city to the same extent and in the same manner as a constitutional charter county or a constitutional charter city.

#### 12. Severability.

(1) The provisions of this section are severable, and if any portion, subsection, sentence, clause, or phrase of this section, or an application thereof to any person or circumstance, is held to be invalid, the remaining portions, subsections, sentences, clauses and phrases, and the application of the section and its provisions to other persons and circumstances, shall not be affected, but shall remain in full force and effect.

[Section 30(a). The people of the city of St. Louis and the people of the county of St. Louis shall have power (1) to consolidate the territories and governments of the city and county into one political subdivision under the municipal government of the city of St. Louis; or, (2) to extend

the territorial boundaries of the county so as to embrace the territory within the city and to reorganize and consolidate the county governments of the city and county, and adjust their relations as thus united, and thereafter the city may extend its limits in the manner provided by law for other cities; or, (3) to enlarge the present or future limits of the city by annexing thereto part of the territory of the county, and to confer upon the city exclusive jurisdiction of the territory so annexed to the city; or, (4) to establish a metropolitan district or districts for the functional administration of services common to the area included therein; or, (5) to formulate and adopt any other plan for the partial or complete government of all or any part of the city and the county. The power so given shall be exercised by the vote of the people of the city and county upon a plan prepared by a board of freeholders consisting of nineteen members, nine of whom shall be electors of the city and nine electors of the county and one an elector of some other county. Upon the filing with the officials in general charge of elections in the city of a petition proposing the exercise of the powers hereby granted, signed by registered voters of the city in such number as shall equal three percent of the total vote cast in the city at the last general election for governor, and the certification thereof by the election officials to the mayor, and to the governor, then, within ten days after the certification the mayor shall, with the approval of a majority of the board of aldermen, appoint the city's nine members of the board, not more than five of whom shall be members of or affiliated with the same political party. Each member so appointed shall be given a certificate certifying his appointment signed by the mayor and attested by the seal of the city. Upon the filing with the officials in general charge of elections in the county of a similar petition signed by registered voters of the county, in such number as shall equal three percent of the total vote cast in the county at the last general election for governor, and the certification thereof by the county election officials to the county supervisor of the county and to the governor, within ten days after the certification, the county supervisor shall, with the approval of a majority of the county council, appoint the county's nine members of the board, not more than five of whom shall be members of or affiliated with the same political party. Each member so appointed shall be given a certificate of his appointment signed by the county supervisor and attested by the seal of the county.]

[Section 30(b). Upon certification of the filing of such similar petitions by the officials in general charge of elections of the city and the county, the governor shall appoint one member of the board who shall be a resident of the state, but shall not reside in either the city or the county, who shall be given a certificate of his appointment signed by the governor and attested by the seal of the state. The freeholders of the city and county shall fix reasonable compensation and expenses for the freeholder appointed by the governor and the cost shall be paid equally by the city and county. The appointment of the board shall be completed within thirty days after the certification of the filing of the petition, and at ten o'clock on the second Monday after their appointment the members of the board shall meet in the chamber of the board of aldermen in the city hall of the city and shall proceed with the discharge of their duties, and shall meet at such other times and places as shall be agreed upon. On the death, resignation or inability of any member of the board to serve, the appointing authority shall select the successor. The board shall prepare and propose a plan for the execution of the powers herein granted and for the adjustment of all matters and issues arising thereunder. The members of the board shall receive no compensation for their services as members, but the necessary expenses of the board shall be paid one-half by the county and one-half by the city on vouchers signed by the chairman of the board. The plan shall be signed in duplicate by the board or a majority thereof, and one copy shall be returned to the

officials having general charge of elections in the city, and the other to such officials in the county, within one year after the appointment of the board. Said election officials shall cause separate elections to be held in the city and county, on the day fixed by the freeholders, at which the plan shall be submitted to the qualified voters of the city and county separately. The elections shall not be less than ninety days after the filing of the plan with said officials, and not on or within seventy days of any state or county primary or general election day in the city or county. The plan shall provide for the assessment and taxation of real estate in accordance with the use to which it is being put at the time of the assessment, whether agricultural, industrial or other use, giving due regard to the other provisions of this constitution. If a majority of the qualified electors of the city voting thereon, and a majority of the qualified electors of the county voting thereon at the separate elections shall vote for the plan, then, at such time as shall be prescribed therein, the same shall become the organic law of the territory therein defined, and shall take the place of and supersede all laws, charter provisions and ordinances inconsistent therewith relating to said territory. If the plan be adopted, copies thereof, certified to by said election officials of the city and county, shall be deposited in the office of the secretary of state and recorded in the office of the recorder of deeds for the city, and in the office of the recorder of deeds of the present county, and the courts of this state shall take judicial notice thereof.]

[Section 31. The city of St. Louis, as now existing, is recognized both as a city and as a county unless otherwise changed in accordance with the provisions of this constitution. As a city it shall continue for city purposes with its present charter, subject to changes and amendments provided by the constitution or by law, and with the powers, organization, rights and privileges permitted by this constitution or by law. As a county, it shall not be required to adopt a county charter but may, except for the office of circuit attorney, amend or revise its present charter to provide for the number, kinds, manner of selection, terms of office and salaries of its county officers, and for the exercise of all powers and duties of counties and county officers prescribed by the constitution and laws of the state.]

[Section 32(a). The charter of the city of St. Louis now existing, or as hereafter amended or revised, may be amended or revised for city or county purposes from time to time by proposals therefor submitted by the lawmaking body of the city to the qualified voters thereof, at a general or special election held at least sixty days after the publication of such proposals, and accepted by three-fifths of the qualified electors voting for or against each of said amendments or revisions so submitted.]

[Section 32(b). In the event of any amendment or revision of the charter of the city of St. Louis which shall reorganize any county office and/or transfer any or all of the duties, powers and functions of any county officer who is then in office, the officer shall serve out the remainder of his or her term, and the amendment or revision of the charter of the city of St. Louis shall take effect, as to such office, upon the expiration of the term of such office holder. In the event of any amendment or revision of the charter of the city of St. Louis which shall reorganize any county office and/or transfer any or all of the duties, powers and functions of any county officer, all of the staff of such office shall be afforded the opportunity to become employees of the city of St. Louis with their individual seniority and compensation unaffected and on such other comparable terms and conditions as may be fair and equitable.]

[Section 32(c). An amendment or revision adopted pursuant to section 32(a) of this article shall not deprive any person of any right or privilege to retire and to retirement benefits, if any, to which he or she was entitled immediately prior to the effective date of that amendment or revision.]

[Section 33. Copies of any new or revised charter of the city of St. Louis or of any amendments to the present, or to any new or revised charter, with a certificate thereto appended, signed by the chief executive and authenticated by the seal of the city, setting forth the submission to and ratification thereof, by the qualified voters of the city shall be made in duplicate, one of which shall be deposited in the office of the secretary of state, and the other, after being recorded in the office of the recorder of deeds of the city, shall be deposited among the archives of the city, and thereafter all courts of this state shall take judicial notice thereof.]

# Tim Fitch stopped getting pension when he joined St. Louis County Council — and his colleagues won't help

- [By Jeremy Kohler St. Louis Post-Dispatch](#)

**CLAYTON** • St. Louis County stopped paying former county police chief Tim Fitch his \$85,000 annual pension when he took office on Jan. 1 as a member of the County Council, and Fitch has been trying in vain behind the scenes to have it restored, with little support from his council colleagues.

Under the county's retirement ordinance, retirement benefits are suspended if a pensioner returns to a salaried position with the county. Fitch has already lost more than \$21,000 in pension payments during his brief tenure. He stands to lose \$340,000 over a four-year term.

Fitch retired in 2014 from the county police after 31 years, the last six as chief. In November, he won the 3rd District council seat formerly held by Colleen Wasinger, who did not seek reelection. The Republican said he did

not think during his campaign that his pension would be at risk. He said a lawyer for the county, who has since retired, assured him it would not be.

County Council members are paid a \$20,000 annual salary, and most County Council members have other careers. Fitch said he makes a six-figure salary working as senior manager for global security at Emerson.

He said that last year Wasinger considered his request to introduce a measure to change the pension ordinance so a council seat could be part of the county's intermittent workers' program that allows pensioners to return to part-time hourly jobs. The ordinance does not include salaried workers.

Wasinger said Wednesday that she was not for or against the plan but had told Fitch that he needed to get support from other council members.

"I didn't get elected until November, and she's coming off the council in January, so it didn't have much traction," Fitch said. "So, I said, you know what, Colleen? Just leave it alone and I'll deal with it when I get there."

Fitch said officials from the retirement system contacted him in January to notify him that his pension checks would stop. He said he tried at first to refuse his council salary and even threatened to withhold a bank stub so the county could not direct-deposit his paycheck. But he said he was told that by law he could not refuse his pay, and the county would cut a paper check if it could not be deposited.

Fitch said the county counselor's office, at his request, wrote a bill that would allow retirees to come back as elected officials and keep their pensions. The most recent version specifies the elected official would have to make less than \$50,000, and they would have to give up any pension from the elected

position. Council members who serve at least five years receive a small pension.

But Fitch says he can't introduce the bill himself or vote on it because that would be a conflict of interest. That leaves him at the mercy of his colleagues to introduce and pass it. He said he thought Council Chairman Sam Page would introduce the bill if there was enough support on the council.

In a text, Page said some members of council were "hesitant to revisit the pension issues again" after a dust-up in 2017 when the council first agreed to expand retirement benefits for then-Prosecuting Attorney Robert P. McCulloch, then rolled them back to their previous level after saying they had been duped into the first vote by County Executive Steve Stenger.

Fitch said in an interview that he did not think his colleagues wanted to help him, because they hoped he would quit.

Fitch said he had approached fellow Republican Ernie Trakas and asked to talk about the pension.

"He said, 'We all sacrifice to be here,'" Fitch said. "That was his answer. I said, 'Would you at least look at what I would like to propose?' and you know what he said? 'Absolutely not.' So what does that tell you? Clearly he doesn't want to hear it. He thinks, I believe, that if my pension is cut off that I'll resign. That I'll step down. I think there are a couple of them (on the council) that feel that way."

Trakas responded: "The definition of holding elected office manifestly carries with it service and sacrifice. Every member on the council and past members have put careers on hold, taken leaves of absence and in some cases left jobs

... in order to serve. So, the idea that some special exception should be carved out is an affront to those who have done that.”

Trakas said he was a great collaborator and had helped forge the council’s bipartisan voting bloc. “My relationship with everyone on the council is good.” He said it was Fitch who acted in opposition to the council.

“I think we have to look at the unilateral actions and statements he’s made, including the one [calling on the county executive to resign](#), without even a conversation with anyone on council. So if he feels like an outsider or isolated, I think he only has himself to blame. He’s new, and there’s a learning curve, but to cast the council in a negative light as he did Monday in his statement isn’t collaborative or communicative.”

Hazel Erby, D-1st District, said in an interview that she was not in favor of making changes to the county’s pension ordinance for Fitch.

“He knew before coming on the council that he wouldn’t get that pension,” she said, although she added, “When the time comes, I’ll look at it. I’m not ever closed minded about anything. I try to be fair.”

## 204.290 - Reemployment After Retirement.

- 1. If any retired participant who is receiving a benefit is reemployed as a salaried County employee, payment of the benefits under this chapter for which he or she may already be eligible because of prior participation shall be discontinued until he or she again incurs a termination of employment and applies to receive benefits except as specifically provided in subsection 4 of this section.
2. Except for the retirement benefits for which he is already eligible, a retired participant who is receiving a benefit and who is reinstated to covered employment, irrespective of the length of time he or she has been retired and receiving a benefit, shall return as a new participant in the Plan in which he or she was first hired. A participant who was formerly a traditional plan participant shall be a traditional plan participant, and a former contributory plan participant shall be a contributory plan participant regardless of the date of return.
3. The amount of retirement benefits to which such a retired participant may become subsequently entitled shall not exceed the amount of retirement benefits previously payable to him or her plus the amount, if any, accrued after his return to County employment. Such benefits accrued after his return to County employment shall be determined in the same manner as "service retirement date benefits" of the retirement plan in which he is a new participant and subject to the requirements and limitations thereof. In addition, such a returning retired participant shall be subject to all other applicable provisions of this chapter.
4. This section shall not apply to retired participants who return to county employment: (i) as an election worker described in Section 104.540 SLCRO for no more than one (1) day in any calendar month plus required training; or (ii) who return to County employment for not more than one thousand forty (1,040) hours per year as an intermittent employee. The term "intermittent employee" as used in this chapter shall have the same meaning as given to that term under the then-current County Civil Service Rules. Such part-time service shall not be included in a participant's credited service.

(O. No. 26939, 12-5-17)

# Almost half of older Americans have zero in retirement savings

- By Ben Steverman Bloomberg
  - The bad news is that almost half of Americans approaching retirement have nothing saved in a 401(k) or other individual account. The good news is that the new estimate, from the U.S. Government Accountability Office, is slightly better than a few years earlier.
  - Of those 55 and older, 48 percent had nothing put away in a 401(k)-style defined contribution plan or an individual retirement account, according to a GAO estimate for 2016 that was released Tuesday. That's an improvement from the 52 percent without retirement money in 2013.
  - Two in five of such households did have access to a traditional pension, also known as a defined benefit plan. However, 29 percent of older Americans had neither a pension nor any assets in a 401(k) or IRA account.
  - The estimate from the GAO, the investigative arm of Congress, is a brief update to a more comprehensive 2015 report on retirement savings in the U.S. Both are based on the Federal Reserve's Survey of Consumer Finances.

- The previous report found the median household, age 65 to 74, had about \$148,000 saved, the equivalent of an inflation-protected annuity of \$649 a month.
- "Social Security provides most of the income for about half of households age 65 and older," the GAO said.