

AN ORDINANCE OF THE CITY OF KREBS & KREBS UTILITY AUTHORITY, OKLAHOMA

ORDINANCE NO. 18-03

AN ORDINANCE AMENDING THE EMPLOYEE RETIREMENT SYSTEM, DEFINED BENEFIT PLAN FOR CITY OF KREBS & KREBS UTILITY AUTHORITY, OKLAHOMA; PROVIDING RETIREMENT BENEFITS FOR ELIGIBLE EMPLOYEES OF CITY OF KREBS & KREBS UTILITY AUTHORITY, OKLAHOMA; PERTAINING TO THE DEFINITION OF EMPLOYEE; PROVIDING FOR REPEALER AND SEVERABILITY; AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY CITY COUNCIL OF THE CITY OF KREBS & KREBS UTILITY AUTHORITY, OKLAHOMA.

Section 1. **AMENDATORY.** The Employee Retirement System, Defined Benefit Plan, of the City of Krebs & Krebs Utility Authority, Oklahoma, is hereby amended as reflected on the attached Exhibit "A", which is incorporated herein and adopted by reference. These amendments shall become effective on October 1, 2018.

Section 2. **EXECUTION AUTHORIZATION.** The City Clerk and Mayor be and they are hereby authorized and directed to execute the amended Retirement System Plan documents and to do all the other acts necessary to put said amendment into effect and to maintain IRS qualification of the Plan. The executed amended document attached hereto as Exhibit "A" is hereby ratified and confirmed in all respects.

Section 3. **SEVERABILITY.** If, regardless of cause, any section, subsection, paragraph, sentence, or clause of this ordinance, including the System as set forth in Exhibit "A" is held invalid or to be unconstitutional, the remaining sections, subsections, paragraphs, sentences, or clauses shall continue in full force and effect and shall be construed thereafter as being the entire provisions of this ordinance.

Section 4. **REPEALER.** Any ordinance inconsistent with the terms and provisions of this ordinance is hereby repealed; provided, however, that such repeal shall be only to the extent of such inconsistency and in all other respects this ordinance shall be cumulative of other ordinances regulating and governing the subject matter covered by this ordinance.

Section 5. **EMERGENCY.** Whereas, in the judgment of the City Council of the City of Krebs & Krebs Utility Authority, Oklahoma, the public peace, health, safety, and welfare of the City of Krebs & Krebs Utility Authority, Oklahoma, and the inhabitants thereof demand the immediate passage of this ordinance, an emergency is hereby declared, the rules are suspended, and this ordinance shall be in full force and effect on its passage and approval.

FILED

SEP 20 2018

TIME 12:26 AM
HOPE TRAMMELL, COUNTY CLERK
PITTSBURG COUNTY
BY ho DEPUTY

END

The foregoing ordinance was introduced before the City Council of the City of Krebs & Krebs Utility Authority on the 18th day of September, 2018, and was duly adopted and approved by the Mayor and City Council on the 18th day of September, 2018, after compliance with notice requirements of the Open Meeting Law (25 OSA, Section 301, et seq.).

City of Krebs & Krebs Utility Authority

Bobly Walker
MAYOR

ATTEST:

Julie Casey
CITY CLERK

Approved as to form and legality on 9/18/18, _____.

Pat Smith
CITY ATTORNEY



**OKLAHOMA MUNICIPAL RETIREMENT FUND
MASTER DEFINED BENEFIT PLAN
JOINDER AGREEMENT**



COPY

City of Krebs & Krebs Utility Authority, a city, town, agency, instrumentality, or public trust located in the State of Oklahoma, with its principal office at Krebs, Oklahoma, hereby establishes a Defined Benefit Plan to be known as **City of Krebs & Krebs Utility Authority Plan** (the "Plan") in the form of The Oklahoma Municipal Retirement Fund Master Defined Benefit Plan.

Except as otherwise provided herein, the definitions in Article II of the Plan apply.

1. Dates.

- This instrument is a new Plan effective __.
- This instrument is an amendment, restatement and continuation of the Previous Plan, which was originally effective October 1, 1999. The effective date of this Joinder Agreement is October 1, 2018, except as otherwise stated in the Plan and the Joinder Agreement.

2. Employee.

The word "Employee" shall mean:

- Any person other than a Leased Employee who, on or after the Effective Date, is considered to be a regular full-time employee in accordance with the Employer's standard personnel policies and practices, and is receiving remuneration for such services rendered to the Employer (including any elected official and any appointed officer or employee of any department of the Employer, whether governmental or proprietary in nature), including persons on Authorized Leave of Absence. Employees shall not include independent contractors. Elected members of the City Council shall not be considered to be Employees solely by reason of their holding such office.
- Any person other than a Leased Employee who, on or after the Effective Date, is considered to be a regular employee in accordance with the Employer's standard personnel policies and practices (including part-time, seasonal and temporary employees), and is receiving remuneration for such services rendered to the Employer (including any elected official and any appointed officer or employee of any department of the Employer, whether governmental or proprietary in nature), including persons on Authorized Leave of Absence. Employees shall not include independent contractors. Elected members of the City Council shall not be considered to be Employees solely by reason of their holding such office.
- Any person who, on or after the Effective Date, is an employee of the Employer and is .

The word "Employee" shall not include:

- Any person who is currently accruing benefits under any other state or local retirement system.
- Any person who is in the position of City Superintendent.**

3. Eligibility.

Eligible Employees shall commence participation in the Plan: (Select only one)

- __ month(s) (any number of months up to twelve consecutive) after the Employee's Employment Commencement Date.
- On the Employee's Employment Commencement Date.

4. Definition of Compensation.

Compensation shall exclude the item(s) listed below:

- No exclusions.
- Overtime pay.
- Bonuses.
- Commissions.
- Severance pay.
- Fringe benefits, expense reimbursements, deferred compensation and welfare benefits.
- Other: Accrued vacation or sick leave paid upon termination of employment and moving expenses.

5. Average Monthly Compensation.

The considered period for purposes of the definition of "Average Monthly Compensation" in Section 2.1 of The Oklahoma Municipal Retirement Fund Master Defined benefit Plan is:

- sixty (60) consecutive months.
 thirty-six (36) consecutive months.

6. The Employer hereby elects the following Plan design:

- Mandatory Contribution Option. An Employee shall be required to contribute to the Plan for each Plan Year the percentage of his Compensation ("Mandatory Contributions") required by the Plan. Mandatory Contributions shall be made by payroll deductions. An Employee shall authorize such deductions in writing on forms approved by, and filed with, the Committee.

If the Employee's contributions are to be taxed deferred:

- Pick-Up Option. The Employer hereby elects to have the provisions of Section 3.4 of the Plan apply. The Employer shall pick-up and pay the percentage of each Participant's Compensation required to be contributed as of October 1, 1999 in lieu of contributions by the Participant. No Participant shall have the option of receiving the contributed amounts directly as Compensation.

- Non-Contributory Option. Participants shall not be required nor permitted to contribute to the Plan.

7. A. Payment Options. The Employer hereby elects the following minimum number of payments for employees eligible to receive benefits under Article IV of the Plan:

- Sixty (60) monthly payments.
 One hundred and twenty (120) monthly payments.

B. Plan Options. The Employer hereby elects the following plan designation and percentage used in calculating benefits under Section 5.1 of the Plan.

- Plan AAA - 3% with no maximum Years of Service
 Plan AAA - 3% recognizing a maximum of 22 Years of Service
 Plan AA - 2.625%
 Plan BB - 2.25%
 Plan CC - 1.875%
 Plan A - 1.5%
 Plan B - 1.125%
 Plan C - .75%

C. Normal Retirement Age. Normal retirement age shall be:

- Age 65
 The earlier of (i) and (ii) as follows:
(i) age 65
(ii) the later of age 62 and the age at which the Participant has completed 30 years of service.

Examples: An employee hired at age 20 who worked for 30 years and terminated at age 50 would be entitled to unreduced payments at age 62.

An employee hired at age 30 who worked for 25 years and terminated at age 55 would be entitled to unreduced payments at age 65.

- Modified Rule of 80:
The earlier of (i) and (ii) as follows:
(i) age 65
(ii) the later of age 55 and the age at which the sum of the Participant's age in completed years and the participant's number of completed years of credited service total 80 or greater. To be eligible, the Participant's age plus service must be at least 80 prior to termination of employment.

Examples: 1. An employee hired at age 30 who worked for 25 years and terminated at age 55 would be entitled to unreduced payments immediately. Age 55 plus 25 years equals 80.

2. An employee hired at age 20 who worked for 30 years and terminated at age 50 would be entitled to unreduced payments at age 55. The employee has age plus service points at age 50 but the minimum age for payment is 55.

3. An employee hired at age 25 who worked for 25 years and terminated at age 50 would be entitled to unreduced payments at age 65. Age 50 plus 25 years is less than 80, so the Normal Retirement Age is 65.

D. Vesting Options. The Employer hereby elects the following vesting option to determine an Employee's eligibility to receive retirement benefits.

- Ten Year Cliff Vesting Schedule
- Seven Year Cliff Vesting Schedule
- Five Year Cliff Vesting Schedule

E. Service Credit Prior to Original Plan Effective Date. The Employer hereby elects to include the following limitation of service prior to the original Plan effective date.

- No limitation
- Service credit prior to the original Plan effective date shall not exceed ___ years.

F. Service Buyback. The Employer hereby elects

- No service buyback pursuant to Section 10.13 of the Plan
- The service buyback provisions of Section 10.13 of the Plan.

G. Service for Worker's Compensation Period. If a Participant is on an Authorized Leave of Absence and is receiving worker's compensation during such Authorized Leave of Absence, such Participant

- shall be credited with Service for such period for purposes of vesting only and not for purposes of benefits, but no Employee contributions shall be made with respect to the Participant for such period.
- shall not be credited with Service for such period.

8. Contributions by Employees.

If Employees are required to contribute to the cost of providing benefits under this Plan, such contributions shall be based on the plan designation selected in Section 7B above and shall apply to pay periods commencing on and after **October 1, 1999**.

a. The Employee contribution formula in Section 3.3 of the Plan shall use the following maximum percentage for the Plan Option selected in Section 7B of this Joinder Agreement:

- Plan AAA - 6.0%
- Plan AA - 5.25%
- Plan BB - 4.5%
- Plan CC - 3.75%
- Plan A - 3%
- Plan B - 2.25%
- Plan C - 1.5%

b. The contribution formula shall be % of compensation. (Not to exceed the percentages in above paragraph).

c. The contribution as annually determined each year shall be shared by the Employee and Employer as follows:

- Employee portion %
- Employer portion %

(Employee plus Employer percentages must total 100%.)

The contribution will be actuarially determined based on Plan assets and liabilities as of January 1 of each year as a percent of payroll, which will then be shared between the Employer and Employee as noted above. These contribution rates will be in effect from July 1 of that year until June 30 of the subsequent year.

9. Cost-of-Living Option.

For purposes of adjusting retiree and beneficiary pensions, the Employer hereby elects the following:

- No Cost-of-Living Option.
- Cost-of-Living Option. This election applies to Sections 5.1 (Normal Pension), 5.4 (Deferred Vested Pension), 6.3A and 6.3B (Death After Commencement of Pension), and 6.4 (Spouse's Pension) and provides annual benefit increases of the smaller of three percent (3%) or the percentage change in the Consumer Price Index.
The effective date of the Cost-Of-Living Option shall be ___, the original date that the Employer elected the Cost-Of-Living Option.

10. Retiree Plan Improvement Option.

Benefits payable to or on behalf of a former Employee under Article V, Article VI, or Article VII of the Plan, which are due or in the course of payment of the Effective Date of this Joinder Agreement, shall

- be increased according to the Plan Option elected herein. Such increased benefits shall be reflected in any periodic payments due or paid on or after the Effective Date of the Joinder Agreement. It is not intended for this change to be retroactive and any periodic payments due prior to such date shall not be affected.
- be increased by ___% effective ___. Such increased benefits shall be reflected in any periodic payments due or paid after such date. It is not intended for this change to be retroactive and any periodic payments due prior to such date shall not be affected.
- not be increased, but shall continue to be paid under the terms of the Previous Plan.

11. Limitations on Optional Benefit Forms.

Section 7.2 of the Plan provides for a lump sum payment form, an installment payment form that would be payable over a fixed number of years (at which time all payments would cease), or the purchase of an insured annuity. The Employer hereby elects the following:

- Optional benefit forms under Section 7.2 of the Plan will not be permitted.
- Optional benefit forms under Section 7.2 of the Plan will be permitted, subject to Retirement Committee approval for any such elections by an Employee, subject to the following limitation(s):

(The above election has no effect on the joint and survivor optional benefit forms under Section 7.1).

12. Defined Contribution Option.

- Not applicable.
- Participant shall be entitled to the benefit under this option, in addition to the benefit determined according to Section 7B.

An account shall be created for each active Participant as of the effective date of the option. The beginning balance of the account shall be the Participant's Contribution Accumulation. The account shall be credited with:

- (1) Mandatory Contributions made by the Participant after the effective date of the option.
- (2) Investment earnings at same rate as earned by the Oklahoma Municipal Retirement Fund (OMRF) Defined Benefit Fund.

As soon as administratively possible after termination of employment or death, the administrator shall pay the Participant or Beneficiary if applicable, the account balance. The Participant may elect to receive the benefit in any of the Benefit options permitted under the plan. The benefit shall be the Actuarial Equivalent of the account balance at the time the benefit commences.

The administrator shall determine the method of determining the investment earnings and the date such investment earnings are credited.

This option shall be effective ___.

13. The Employer has consulted with and been advised by its attorney concerning the meaning of the provisions of the Plan and the effect of entry into the Plan.

IN WITNESS WHEREOF City of Krebs & Krebs Utility Authority has caused its corporate seal to be affixed hereto and this instrument to be duly executed in its name and behalf by its duly authorized officers this 18th day of September, 2018.

City of Krebs & Krebs Utility Authority

By: Bobby Welton

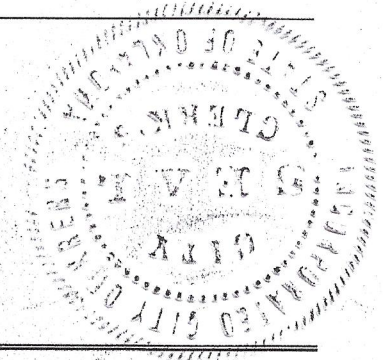
Title: Mayor

Attest:

Julia Casey

Title: City Clerk

(SEAL)



14. The foregoing Joinder Agreement is hereby approved by the Oklahoma Municipal Retirement Fund this 18th day of September, 2018.

OKLAHOMA MUNICIPAL RETIREMENT FUND

By: Bobby Welton

Title: Chairman

Attest:

Julia Casey
Secretary

(SEAL)

