



DeKalb County Government

Manuel J. Maloof Center
1300 Commerce Drive
Decatur, Georgia 30030

Agenda Item

June 11, 2019

File ID: 2019-3748

Substitute

Public Hearing: YES NO Department: Finance

SUBJECT:

Commission District(s): all

Home Rule Ordinance to amend the Pension Code of DeKalb County, Georgia, 1962 Ga. Laws 3088, as amended, to provide for a 2% cost of living increase to specified eligible retirees, joint annuitants and beneficiaries, and to change the limit on pension fund investments in debt or equity securities of foreign persons or entities from 10% to 15% of the pension fund's total assets at market value.

Information Contact: Larry Jacobs, Assistant Director of Finance

Phone Number: 404 371-2050

PURPOSE:

To consider adopting a home rule ordinance amending the Pension Code of DeKalb County, Georgia, to provide for a 2% cost of living increase to specified eligible retirees, joint annuitants, and beneficiaries, and to change the limit on pension fund investments in debt or equity securities of foreign persons or entities from 10% to 15% of the pension fund's total assets at market value.

NEED/IMPACT:

No cost of living increase has been provided to retirees (or joint annuitants or beneficiaries) in recent years. The Pension Board has requested the increased limit on foreign investments and relevant plan participants have voted, in accordance with the Pension Code, to allow the amendment increasing the limit on such investments from 10% to 15%.

FISCAL IMPACT:

[The cost of the cola is estimated to be \$2,050,000.]

RECOMMENDATION:

Adopt the attached home rule ordinance for the first time to amend the DeKalb County Pension Code (1962 Ga. Laws 3088, codified in Appendix B of the Code of DeKalb County, Georgia, as amended), to provide for a 2% cost of living increase to specified eligible retirees, joint annuitants, and beneficiaries, and change from 10% to 15% the limit on pension fund investments in foreign securities.

A HOME RULE ORDINANCE

A HOME RULE ORDINANCE BY THE GOVERNING AUTHORITY OF DEKALB COUNTY UNDER THE HOME RULE PROVISIONS FOR COUNTIES OF THE CONSTITUTION OF THE STATE OF GEORGIA, TO AMEND AN ACT OF THE GENERAL ASSEMBLY OF 1962, FOUND IN GEORGIA LAWS 1962, PAGE 3088, *ET SEQ.*, AS AMENDED, CREATING THE DEKALB COUNTY PENSION BOARD, SO AS TO FURTHER AMEND SAID ACT TO PROVIDE FOR A COST OF LIVING INCREASE FOR CERTAIN RETIREES, BENEFICIARIES, AND JOINT ANNUITANTS AND ADJUST CERTAIN RESTRICTIONS ON INVESTMENT OF FUNDS IN THE PENSION FUND.

WHEREAS, the Governing Authority of DeKalb County recognizes that more than ten years have passed since DeKalb County retirees receiving monthly pension benefits under the DeKalb County Pension Code were granted a cost of living increase for such benefits; and

WHEREAS, pursuant to the terms and conditions of subsection 921(d) of the DeKalb County Pension Code (codified in the Code of DeKalb County, Georgia, Appendix B, as subsection 921(d)), a vote took place on March 5, 2019 to authorize increasing the limit on investments in debt or equity securities of foreign persons or entities (including American Depositary Receipts) from ten (10) percent of the pension fund's total assets at market value to fifteen (15) percent of the pension fund's total assets at market value;

NOW THEREFORE, BE IT ORDAINED by the Governing Authority of DeKalb County, Georgia, and it is hereby ordained by the authority of same, pursuant to the home rule provisions for counties of the Constitution of the State of Georgia, that the state law creating the DeKalb County Pension Board, known as 1962 Ga. Laws p. 3088, *et seq.*, as amended, be and the same is hereby further amended as follows:

PART I.

By amending section 908.1 of the Act (codified in the Code of DeKalb County, Georgia, Appendix B, as Section 908.1) to delete the existing heading for section 908.1 ("Sec. 908.1. – Historical provisions") and replace it with the new heading: "Sec. 908.1. – Historical provisions and 2019 benefit adjustment."

* * * * *

By amending Section 908.1 of the Act (codified in the Code of DeKalb County, Georgia, Appendix B, as Section 908.1) to add the following language as subsection 908.1(a)(3):

(3) 2019 benefit adjustment.

- A. **Definitions.** For purposes of this subsection, a “2019 Eligible Retiree” is a participant in this plan who retired and began receiving monthly pension benefits under section 908 or section 913 of this plan on or before January 1, 2019 and who remains in retired status receiving such monthly pension benefits as of July 1, 2019. For purposes of this subsection, a “2019 Eligible Beneficiary or Joint Annuitant” is an individual who began receiving monthly pension benefits as a beneficiary or joint annuitant of a deceased participant under this plan on or before January 1, 2019 and who is still receiving such monthly pension benefits as of July 1, 2019, or an individual who began receiving monthly pension benefits as a joint annuitant of a deceased participant under this plan between January 1, 2019 and July 1, 2019, and who is still receiving such monthly pension benefits as of July 1, 2019, provided that such deceased participant began receiving monthly pension benefits under this plan on or before January 1, 2019.
- B. **Calculation of 2019 benefit adjustment.** Except as specifically provided otherwise in this paragraph, each “2019 Eligible Retiree” and each “2019 Eligible Beneficiary or Joint Annuitant” as defined above shall receive an increase in his or her monthly pension benefit amount, applicable to monthly pension benefit amounts payable on and after January 1, 2019, equal to 2% of the monthly pension benefit amount otherwise payable to such 2019 Eligible Retiree or such 2019 Eligible Beneficiary or Joint Annuitant for the month of January 2019. A 2019 Eligible Retiree receiving monthly pension benefits pursuant to a joint and survivor benefit and whose designated joint annuitant dies between January 1, 2019 and June 30, 2019 shall receive an increase in his or her monthly pension benefit amount, applicable to months commencing after the joint annuitant’s death, equal to 2% of the monthly pension benefit amount payable to that 2019 Eligible Retiree for the first month commencing after the joint annuitant’s death in accordance with subsection 908(b)(6)(C) of this plan; however, in calculating this increase applicable to months commencing after the joint annuitant’s death, the increase payable to this 2019 Eligible Retiree pursuant to this subsection for months commencing prior to the joint annuitant’s death shall be disregarded. A 2019 Eligible Beneficiary

or Joint Annuitant who began receiving monthly pension benefits as a joint annuitant between January 1, 2019 and July 1, 2019 shall receive a monthly pension benefit calculated in accordance with subsection 908(b)(5)(B) OPTION 2 of this plan and the participant's election thereunder; however, in making that calculation, the "participant's monthly retirement benefit" referenced in subsection 908(b)(5)(B) OPTION 2 shall be deemed equal to 102% of the monthly pension benefit otherwise payable to the participant for the month of January 2019. Such increased monthly pension benefit amounts payable pursuant to this subsection shall commence with the first monthly retirement benefit payable after July 1, 2019, and the 2% increase amounts applicable to prior months in 2019 shall be accumulated and paid with such first increased monthly benefit amount payment.

* * * * *

By amending Section 921 of this Act (codified in the Code of DeKalb County, Georgia, Appendix B, as Section 921), to delete subsection 921(c)(ii) and replace that subsection with a new subsection 921(c)(ii) to read as follows:

(ii) Investments in debt or equity securities of foreign persons or entities (including American Depositary Receipts) are permitted so long as no more than fifteen (15) percent of the pension fund's total assets at market value shall be invested in such securities;

PART II. REPEALER.

All laws or parts of laws in conflict with this Ordinance are hereby repealed.

PART III. SEVERABILITY.

Should any part, portion, or paragraph of this ordinance be declared unconstitutional or void by a court of competent jurisdiction, such declaration shall not affect the remaining portions of this ordinance not so declared to be invalid, but the same shall remain in full force and effect as if separately adopted.

PART IV. ADOPTION PROCESS.

This Ordinance shall be presented to the Board of Commissioners of DeKalb County, Georgia for adoption at two regular, consecutive meetings of the County Commissioners, held not less than seven (7) nor more than sixty (60) days apart after notice containing a synopsis of the proposed amendment shall have been published in the official organ of DeKalb County once a week for three (3) weeks within a period of sixty (60) days immediately preceding its final adoption, such notice stating that a copy of the proposed amendment is on file in the office of the Clerk of Superior Court of DeKalb County for the purpose of examination and inspection by the public.

PART V. DATES OF ADOPTION.

This ordinance shall be first presented to the Board of Commissioners of DeKalb County, Georgia on the ____ day of _____, 2019, and again on the ____ day of _____, 2019, at the regular time and place of the meeting of the Board of Commissioners of DeKalb County, Georgia.

PART VI. FILING.

A copy of this Ordinance shall be filed with the Clerk of the DeKalb County Superior Court for the purpose of examination and inspection by the public, along with sufficient copies of same for distribution to those members of the public.

PART VII. EFFECTIVE DATE.

The provisions of this ordinance shall become effective when a copy of this ordinance, a copy of the required notice of publication, and an affidavit of a duly authorized representative of the newspaper in which such notice was published are filed with the Secretary of State.

May 7, 2019

ADOPTED by the DeKalb County Board of Commissioners this _____ day of _____, 2019.

JEFF RADER
Presiding Officer
Board of Commissioners
DeKalb County, Georgia

APPROVED by the Chief Executive Officer of DeKalb County, Georgia this _____ day of _____, 2019.

MICHAEL L. THURMOND
Chief Executive Officer
DeKalb County, Georgia


ATTEST:

BARBARA H. SANDERS-NORWOOD
Clerk to Board of Commissioners and Chief
Executive Officer
DeKalb County, Georgia

APPROVED AS TO SUBSTANCE:

APPROVED AS TO FORM:

Dianne McNabb
Director, Finance Department
DeKalb County, Georgia



Deputy Viviane H. Ernstes *Laura K. Johnson*
County Attorney
DeKalb County, Georgia

