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ORDINANCE 89-32

TO AUTHORIZE THE CREATION OF A POLICE AND FIRE PENSION SUPPLEMENTAL TRUST

WHEREAS, the unfunded liability of the Police and Fire pension funds will continue to increase for many years into the future; and

WHEREAS, the City of Bloomington's consulting firm conducted an actuarial study on the pension plans; and

WHEREAS, in order for the City to maintain the level of basic services, the consulting firm suggested that the City create a supplemental trust fund to establish an advance funding policy in order to smooth the growth of the funding gap;

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION I. The City of Bloomington is hereby authorized to establish a trust to supplement anticipated deficits in revenues to pay police and fire pensions, as established in I.C. 36-8-6, I.C. 36-8-7 and I.C. 36-8-8.

SECTION II. The City may use distributions of the County Option Income Tax (COIT) or other available funds to establish, operate and maintain the supplemental trust in accordance with Section IV of this Ordinance.

SECTION III. A Pension Trust Committee, consisting of the Mayor, the City Controller, the Corporation Counsel, the Secretary of the Police Pension Board of Trustees, the Secretary of the Firefighters' Pension Board of Trustees, the Fire Chief, the Police Chief and one representative of the Common Council to be appointed from its membership, shall oversee the management of the supplemental trust. The Pension Trust Committee may, at its discretion, choose to enter into a trust indenture with an authorized financial institution to serve as trustee.

SECTION IV. The Pension Trust Committee shall annually recommend the level of contribution to the supplemental trust, based on actuarial studies and the availability of funds. The Committee's recommendation shall be subject to the approval of the Common Council.

SECTION V. The City Controller shall determine annually whether a shortfall exists in revenues utilized to pay police and fire pensions, and whether disbursements from the supplemental trust are required to offset such shortfall. If disbursements are necessary, the Pension Trust Committee shall be responsible for determining the level and frequency of disbursements from the supplemental trust for that year.

SECTION VI. In the event the Pension Trust Committee chooses to execute a trust indenture with an authorized financial institution, both the Pension Trust Committee and the City Controller shall perform any additional responsibilities and duties as provided for in the trust indenture.

SECTION VII. Severability. If any section, sentence, or provision of this ordinance, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION VIII. This Ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 16TH day of AUGUST, 1989.

JAMES C. REGESTER, President
Bloomington Common Council

ATTEST:

~~PATRICIA WILLIAMS, Clerk~~ JAMES McNAMARA, DEPUTY CLERK
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 17TH day of AUGUST, 1989.

~~PATRICIA WILLIAMS, Clerk~~ JAMES McNAMARA
DEPUTY CLERK
City of Bloomington

SIGNED and APPROVED by me upon this 17TH day of AUGUST, 1989.

TOMILEA ALLISON, Mayor
City of Bloomington

SYNOPSIS

This ordinance authorizes the creation of a Police and Fire pension trust fund in order to supplement anticipated deficits in revenues in order to pay police and fire pensions. A Pension Trust Committee will administer the trust.

Signed copies to:
Controller
Corp. Counsel
Police Chief
Police pension secretary
Fire Chief
Fire pension secretary
Mayor