

## **RESOLUTION NO.**

**WHEREAS**, the City is the plan sponsor for the City of Austin Employees' Retirement System (the "ERS"), which provides retirement benefits to eligible, non-civil service employees of the City of Austin; and

**WHEREAS**, the ERS remains able to pay benefits to retirees on an ongoing basis and is not at risk of insolvency within the near future at current funding and benefit levels; and

**WHEREAS**, City management has identified longer term concerns with the ERS that should be addressed in order to ensure the future health and sustainability of the ERS; and

**WHEREAS**, City management has worked collaboratively with the staff and Board of Trustees of the ERS to develop a plan in response to these longer term concerns that addresses (1) employer funding for ERS and (2) the design of retirement benefits for future members of ERS only; and

**WHEREAS**, the Board of Trustees of the ERS has unanimously approved City management's plan to address employer funding and benefits design for future ERS members only; and

**WHEREAS**, the Council has recently taken action to address the issue of employer funding of the ERS by approving on September 13, 2010 an amendment to the City's supplemental funding plan for the ERS (Resolution No. 20100913-08); and

**WHEREAS**, the second part of City management's plan for addressing longer term concerns with ERS is the creation of a new benefit tier for future ERS members; and

**WHEREAS**, the creation of this new benefit tier will not affect the rights or benefits of any current employees or retirees who are ERS members; and

**WHEREAS**, creation of a new benefit tier for future ERS members or making other changes to the ERS will require an amendment to the Texas state statute (Art. 6243n, Vernon's Civil Statutes) that creates the ERS; and

**WHEREAS**, other changes to the Texas state statute (Art. 6243n, Vernon's Civil Statutes) that creates the ERS may be appropriate to update the statute in light of changes in federal tax laws or to clarify the administration of benefits under the system; and

**WHEREAS**, providing a healthy and sustainable retirement system is critical to ensure that the City can continue to attract and retain a high quality workforce, and to provide a dignified retirement to employees as the reward for a full career of service to the citizens of Austin. **NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The Council supports as a part of its legislative agenda for the 82<sup>nd</sup> session of the Texas State Legislature amendments to Art. 6243n (Vernon's Civil Statutes) to create a new tier of benefits under the ERS for new employees

hired on or after January 1, 2012, as described in Attachment A to this Resolution. The City Manager is directed to include this action as part of the City's legislative agenda for the 82<sup>nd</sup> session of the Texas State Legislature.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to research and recommend, if appropriate, any further changes to Art. 6243n (Vernon's Civil Statutes) to include in the City's legislative agenda for the 82<sup>nd</sup> session of the Texas State Legislature that are necessary and consistent with the City's plan to address the longer term health and sustainability of the ERS.

**ADOPTED:** \_\_\_\_\_, 2010

**ATTEST:** \_\_\_\_\_

Shirley A. Gentry  
City Clerk