

SENATE BILL NO. 898

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR BLACK.

3453S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 70.605, RSMo, and to enact in lieu thereof one new section relating to the Missouri local government employees' retirement system.

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

Section A. Section 70.605, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 70.605,
3 to read as follows:

70.605. 1. For the purpose of providing for the
2 retirement or pensioning of the officers and employees and
3 the widows and children of deceased officers and employees
4 of any political subdivision of the state, there is hereby
5 created and established a retirement system which shall be a
6 body corporate, which shall be under the management of a
7 board of trustees herein described, and shall be known as
8 the "Missouri Local Government Employees' Retirement
9 System". Such system may sue and be sued, transact
10 business, invest funds, and hold cash, securities, and other
11 property. All suits or proceedings directly or indirectly
12 against the system shall be brought in Cole County. The
13 system shall begin operations on the first day of the
14 calendar month next following sixty days after the date the
15 board of trustees has received certification from ten
16 political subdivisions that they have elected to become
17 employers.

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

18 2. The general administration and the responsibility
19 for the proper operation of the system is vested in a board
20 of trustees of seven persons: three persons to be elected as
21 trustees by the members of the system; three persons to be
22 elected trustees by the governing bodies of employers; and
23 one person, to be appointed by the governor, who is not a
24 member, retirant, or beneficiary of the system and who is
25 not a member of the governing body of any political
26 subdivision. **Beginning on January 1, 2025, upon the**
27 **expiration of the term of the employer trustee elected to**
28 **the board with a term ending on December 31, 2024, the**
29 **position of such employer trustee shall thereafter be**
30 **replaced by a person to be elected as trustee by the**
31 **retirants of the system.**

32 3. Trustees shall be chosen for terms of four years
33 from the first day of January next following their election
34 or appointment[, except that of the first board shall all be
35 appointed by the governor by and with the consent of the
36 senate, as follows:

37 (1) Three persons who are officers or officials of
38 political subdivisions, one for a term of three years, one
39 for a term of two years, and one for a term of one year; and

40 (2) Three persons who are employees of political
41 subdivisions and who would, if the subdivision by which they
42 are employed becomes an employer, be eligible as members,
43 one for a term of three years, one for a term of two years,
44 and one for a term of one year; and

45 (3) That person appointed by the governor under the
46 provisions of subsection 2 of this section. All the members
47 of the first board shall take office as soon as appointed by
48 the governor, but their terms shall be computed from the
49 first day of January next following their appointment, and

50 only one member may be from any political subdivision or be
51 a policeman or fireman].

52 4. Successor trustees elected or appointed as member
53 trustees shall be members of the retirement system;
54 provided, that not more than one [member] trustee shall be
55 employed by any one employer, and not more than one [member]
56 trustee shall be a policeman, and not more than one [member]
57 trustee shall be a fireman, **and not more than one trustee**
58 **shall be public safety personnel as described in section**
59 **70.631.**

60 5. **For terms beginning on or after January 1, 2025,**
61 successor trustees elected as employer trustees shall be
62 elected or appointed officials of **the governing bodies of**
63 **the** employers [and shall not be members of the retirement
64 **system] or executive level employees certified by the**
65 **governing bodies of the employers;** provided, that not more
66 than one [employer] trustee shall be from any one employer,
67 **and not more than one trustee shall be a policeman, and not**
68 **more than one trustee shall be a fireman, and not more than**
69 **one trustee shall be public safety personnel as described in**
70 **section 70.631.**

71 6. [An annual meeting of the retirement system shall
72 be called by the board in the last calendar quarter of each
73 year in Jefferson City, or at such place as the board shall
74 determine, for the purpose of electing trustees and to
75 transact such other business as may be required for the
76 proper operation of the system. Notice of such meeting
77 shall be sent by registered mail to the clerk or secretary
78 of each employer not less than thirty days prior to the date
79 of such meeting. The governing body of each employer shall
80 certify to the board the name of one delegate who shall be
81 an officer of the employer, and the members of the employer

82 shall certify to the board a member of the employer to
83 represent such employer at such meeting. The delegate
84 certified as member delegate shall be elected by secret
85 ballot by the members of such employer, and the clerk or
86 secretary of each employer shall be charged with the duty of
87 conducting such election in a manner which will permit each
88 member to vote in such election. Under such rules and
89 regulations as the board shall adopt, approved by the
90 delegates, the member delegates shall elect a member trustee
91 for each such position on the board to be filled, and the
92 officer delegates shall elect an employer trustee for each
93 such position on the board to be filled] **Successor trustees**
94 **elected as retiree trustees shall be retirants of the system**
95 **pursuant to sections 70.600 to 70.755.**

96 7. **The elections of the trustees shall be arranged for**
97 **and managed and conducted by the board of trustees of the**
98 **retirement system.**

99 8. In the event any [member trustee ceases to be a
100 member of the retirement system, or any employer trustee
101 ceases to be an appointed or elected official of an
102 employer, or becomes a member of the retirement system, or
103 if the trustee appointed by the governor becomes a member of
104 the retirement system or an elected or appointed official of
105 a political subdivision] **trustee ceases to meet the**
106 **eligibility requirements pursuant to this section,** or if any
107 trustee fails to attend three consecutive meetings of the
108 board, unless in each case excused for cause by the
109 remaining trustees attending such meeting or meetings, he or
110 she shall be considered as having resigned from the board
111 and the board shall, by resolution, declare his or her
112 office of trustee vacated. If a vacancy occurs in the
113 office of trustee, the vacancy shall be filled for the

114 unexpired term in the same manner as the office was
115 previously filled; provided, however, that the remaining
116 trustees may fill employer and member trustee vacancies on
117 the board until the next [annual meeting] election.

118 [8.] 9. Each trustee shall be commissioned by the
119 governor, and before entering upon the duties of his office,
120 shall take and subscribe to an oath or affirmation to
121 support the Constitution of the United States, and of the
122 state of Missouri, and to demean himself faithfully in his
123 or her office. Such oath as subscribed to shall be filed in
124 the office of the secretary of state of this state.

125 [9.] 10. Each trustee shall be entitled to one vote in
126 the board of trustees. Four votes shall be necessary for a
127 decision by the trustees at any meeting of the board of
128 trustees. Four trustees[, of whom at least two shall be
129 member trustees and at least two shall be employer
130 trustees,] shall constitute a quorum at any meeting of the
131 board. Unless otherwise expressly provided herein, a
132 meeting need not be called or held to make any decision on a
133 matter before the board. Each member must be sent by the
134 executive secretary a copy of the matter to be decided with
135 full information from the files of the board. The
136 concurring decisions of four trustees may decide the issue
137 by signing a document declaring their decision and sending
138 the written instrument to the executive secretary, provided
139 that no other trustee shall send a dissenting decision to
140 the executive secretary within fifteen days after the
141 document and information was mailed to him or her. If any
142 trustee is not in agreement with the four trustees, the
143 matter is to be passed on at a regular board meeting or a
144 special meeting called for that purpose. The board shall
145 hold regular meetings at least once each quarter, the dates

146 of these meetings to be designated in the rules and
147 regulations adopted by the board. Other meetings as deemed
148 necessary may be called by the [chairman] **chairperson** or by
149 any four trustees acting jointly.

150 [10.] 11. The board of trustees shall elect one of
151 their number as [chairman] **chairperson**, and one of their
152 number as vice [chairman] **chairperson**, and shall employ an
153 executive secretary, not one of their number, who shall be
154 the executive officer of the board. Other employees of the
155 board shall be chosen only upon the recommendation of the
156 executive secretary.

157 [11.] 12. The board shall appoint an actuary or a firm
158 of actuaries as technical advisor to the board on matters
159 regarding the operation of the system on an actuarial
160 basis. The actuary or actuaries shall perform such duties
161 as are required of him or her under sections 70.600 to
162 70.755, and as are from time to time required by the board.

163 [12.] 13. The board may appoint an attorney-at-law or
164 firm of attorneys-at-law to be the legal advisor of the
165 board and to represent the board in all legal proceedings.

166 [13.] 14. The board may appoint an investment
167 counselor to be the investment advisor of the board.

168 [14.] 15. The board shall from time to time, after
169 receiving the advice of its actuary, adopt such mortality
170 and other tables of experience, and a rate or rates of
171 regular interest, as shall be necessary for the actuarial
172 requirements of the system, and shall require its executive
173 secretary to keep in convenient form such data as shall be
174 necessary for actuarial investigations of the experience of
175 the system, and such data as shall be necessary for the
176 annual actuarial valuations of the system.

177 [15.] 16. The board shall keep a record of its
178 proceedings, which shall be open to public inspection. It
179 shall prepare annually and render to each employer a report
180 showing the financial condition of the system as of the
181 preceding June thirtieth. The report shall contain, but
182 shall not be limited to, a financial balance sheet; a
183 statement of income and disbursements; a detailed statement
184 of investments acquired and disposed of during the year,
185 together with a detailed statement of the annual rates of
186 investment income from all assets and from each type of
187 investment; an actuarial balance sheet prepared by means of
188 the last valuation of the system, and such other data as the
189 board shall deem necessary or desirable for a proper
190 understanding of the condition of the system.

191 [16.] 17. The board of trustees shall, after
192 reasonable notice to all interested parties, conduct
193 administrative hearings to hear and decide questions arising
194 from the administration of sections 70.600 to 70.755;
195 except, that such hearings may be conducted by a hearing
196 officer who shall be appointed by the board. The hearing
197 officer shall preside at the hearing and hear all evidence
198 and rule on the admissibility of evidence. The hearing
199 officer shall make recommended findings of fact and may make
200 recommended conclusions of law to the board. All final
201 orders or determinations or other final actions by the board
202 shall be approved in writing by at least four members of the
203 board. Any board member approving in writing any final
204 order, determination or other final action, who did not
205 attend the hearing, shall do so only after certifying that
206 he or she reviewed all exhibits and read the entire
207 transcript of the hearing. Within thirty days after a
208 decision or order or final action of the board, any member,

209 retirant, beneficiary or political subdivision adversely
210 affected by that determination or order or final action may
211 take an appeal under the provisions of chapter 536.
212 Jurisdiction over any dispute regarding the interpretation
213 of sections 70.600 to 70.755 and the determinations required
214 thereunder shall lie in the circuit court of Cole County.

215 [17.] 18. The board shall arrange for adequate surety
216 bonds covering the executive secretary and any other
217 custodian of the funds or investments of the board. When
218 approved by the board, said bonds shall be deposited in the
219 office of the secretary of state.

220 [18.] 19. The board shall arrange for annual audits of
221 the records and accounts of the system by a certified public
222 accountant or by a firm of certified public accountants.

223 [19.] 20. The headquarters of the retirement system
224 shall be in Jefferson City.

225 [20.] 21. The board of trustees shall serve as
226 trustees without compensation for their services as such;
227 except that each trustee shall be paid for any necessary
228 expenses incurred in attending meetings of the board or in
229 the performance of other duties authorized by the board.

230 [21.] 22. Subject to the limitations of sections
231 70.600 to 70.755, the board shall formulate and adopt rules
232 and regulations for the government of its own proceedings
233 and for the administration of the retirement system.

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