

BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR MULTNOMAH COUNTY, OREGON

Ordinance No. 87

An ordinance amending Ordinance No. 78 as amended by Ordinance No. 82 to provide for retirement for elected officials, providing for investment of retirement fund money and declaring an emergency.

Multnomah County ordains as follows:

Section 1. Policy.

The Board of County Commissioners of Multnomah County, Oregon recognizing that the Retirement Ordinance is in need of periodic revision and amendment to improve the Retirement Ordinance, and in the interests of public health, safety and general welfare of Multnomah County citizens, the Board does hereby determine the necessity of amending the Retirement Ordinance as hereinafter more particularly described.

Section 2. Amendment.

Section 11 is amended by deleting Section 11 which reads:

"Section 11. Retirement Pay for Certain Elected Officials.

"A. Any person who held an elective office of the County on or after January 1, 1966, who served the County in an elective or non-elective capacity or combination thereof for not less than 10 years, who has either attained the age of 65 years or has become, in the opinion of the Retirement Board, incapacitated for further service, who is no longer serving the County in any capacity and who,

at the time he ceased to serve the County, was participating in the system as an elective official, shall upon application therefor, be paid from the employees' retirement fund a monthly amount calculated as follows: compute the average gross monthly salary paid by the County during the 60 months of his County service immediately preceding his ceasing to serve the County and, having arrived at his average gross monthly salary, take one and one-half percent (1-1/2%) thereof and multiply the sum so ascertained by the total number of calendar years of his County service.

"B. In determining the amount of County service by a person under subsection A of this section, County service by that person in an elective capacity before he begins to participate in the system as an elective official shall be included if that person pays into the employees' retirement fund within six months after the date he begins to so participate an amount equal to the amount that would have been deducted from his gross monthly salary if he had so participated during that previous service.

"C. In determining the amount of County service by a person under subsection A of this section, County service by that person in a non-elective capacity before he begins to participate in the system as an elective official, without regard to any period of separation from County service, shall be included if that person pays into the employees' retirement fund within six months after the

date he begins to so participate any amount previously withdrawn by him on his separation from County service under subsection A of Section 12. For purposes of this subsection, previous County service in a non-elective capacity includes only successive periods of 12 months' duration during which the person was required to render service to the County not less than 35 hours per week, exclusive of vacation, sick leave and bona fide leave of absence, and except as provided in subsection B of Section 12.

"D. Payments into the employees' retirement fund under subsections B and C of this section shall be considered contributions or salary deductions for purposes of the application of Section 12 to persons holding elective offices of the County and participating in the system."

by adding Section 11 to read:

"Section 11. Retirement Pay for Certain Elected Officials.

"A. An elected official may retire based on the following criteria, provided the elected official is no longer serving the County in any capacity, and was at the time of retirement participating in the retirement system:

"1. Attained the age of 60 years and has served the County in an elective or non-elective capacity or combination thereof for not less than 15 years; or

"2. Attained the age of 62 years and has served the County in an elective or non-elective capacity or combination thereof for not less than 10 years; or

"3. Proves incapacity for service to the satisfaction of the Retirement Board and has served the County in an

elective or non-elective capacity or combination thereof for not less than 10 years.

- "B. An elected official retiring under subsection A of this Section shall upon application be paid for the rest of his life a monthly sum equal to one and one-half percent (1-1/2%) of his average gross monthly salary paid by the County during the 48 months immediately preceding his retirement, multiplied by the total number of calendar years of continuous employment by the County.
- "C. Prior to retirement an elected official may, in writing directed to the Retirement Board, elect to receive the annuity option as provided by Section 9.G. of this ordinance.
- "D. In determining the amount of County service by a person under subsection A of this Section, County service by that person in an elective capacity before he begins to participate in the system as an elective official shall be included if that person pays into the employees' retirement fund within six (6) months after the date he begins to so participate an amount equal to the amount that would have been deducted from his gross monthly salary if he had so participated during that previous service.
- "E. In determining the amount of County service by a person under subsection A of this Section, County service by that person in a non-elective capacity before he begins

to participate in the system as an elective official, without regard to any period of separation from County service, shall be included if that person pays into the employees' retirement fund within six (6) months after the date he begins to so participate any amount previously withdrawn by him on his separation from County service under subsection A of Section 12. For purposes of this subsection, previous County service in a non-elective capacity includes only successive periods of 12 months' duration during which the person was required to render service to the County not less than 35 hours per week, exclusive of vacation, sick leave and bona fide leave of absence, and except as provided in subsection B of Section 12.

"F. Payments into the employees' retirement fund under subsections D and E of this Section shall be considered contributions or salary deductions for purposes of the application of Section 12 to persons holding elective offices of the County and participating in the system."

Section 3. Amendment.

Section 15 of Ordinance No. 78 as amended by Ordinance No. 82 is amended by deleting Section 15 which reads:

"Section 15. Investment of Fund.

"A. The Retirement Board may invest monies in the employees' retirement fund in all of the following classes of securities or obligations except that not more than five percent (5%) of the amortized value of all the investments

of the fund and of monies in the fund immediately available for investment may be invested in one commitment or in the obligations of a single primary obligor in those classes of securities enumerated in subsections 2, 3 and 4 of this Section:

"1. Bonds or evidences of indebtedness that are direct obligations of, or secured by the full faith and credit of the United States Government.

"2. Corporate bonds, including utility and railroad bonds that are rated at time of purchase in one of the three highest grades by a recognized investment service organization that has been regularly engaged for a period of ten (10) years or more in rating or grading bonds.

"3. Real property mortgages insured or guaranteed by the federal government or any agency thereof.

"4. Not more than fifty percent (50%) of the amortized value of all the investments of the fund and of monies in the fund immediately available for investment may be invested in common or preferred stocks.

"B. The investing of monies in the above classes of securities or obligations shall be made in accordance with the Prudent Man Rule, that is, investments shall be made in the exercise of judgment and care under the circumstances then prevailing which men of prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the

permanent disposition of their funds, considering the probable income as well as the probable safety of their capital."

by adding Section 15 to read:

"Section 15. Investment of Fund.

"A. The Retirement Board may invest monies in the employees' retirement fund in all of the following classes of securities or obligations except that not more than five percent (5%) of the amortized value of all the investments of the fund and of monies in the fund immediately available for investment may be invested in one commitment or in the obligations of a single primary obligor in those classes of securities enumerated in subsections 2, 3, 4, 5 and 6 of this Section:

"1. Bonds or evidences of indebtedness that are direct obligations of, or secured by the full faith and credit of the United States Government.

"2. Money market instruments, to include commercial paper of corporations, rated at time of purchase in one of the two highest grades by a recognized investment service organization that has been regularly engaged for a period of ten (10) years or more in rating or grading commercial paper; also to include certificates of deposit, bankers acceptances and savings accounts.

- "3. Government agency issues, foreign government issues traded in U. S. dollars and corporate issues, including utility and railroad bonds and notes that are rated at time of purchase in one of the three highest grades by a recognized investment service organization that has been regularly engaged for a period of ten (10) years or more in rating or grading bonds.
- "4. Convertible bonds of any company, association or corporation.
- "5. Loans secured by interest in real property, or pledges of Government securities.
- "6. Not more than fifty percent (50%) of the amortized value of all the investments of the fund and of monies in the fund immediately available for investment may be invested in common or preferred stocks.
- "B. The investing of monies in the above classes of securities or obligations shall be made in accordance with the Prudent Man Rule, that is, investments shall be made in the exercise of judgment and care under the circumstances then prevailing which men of prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital."

Section 4. Adoption.

This ordinance, being necessary for the immediate preservation of the public peace, health and safety, and to better define the conditions upon which elected officials may retire, and to increase investment flexibility, an emergency is declared to exist and this ordinance shall take effect immediately upon its passage pursuant to Section 5.50 of the Charter of Multnomah County.

ADOPTED this 19th day of December, 1974, being the date of its First reading before the Board of County Commissioners of Multnomah County, Oregon.

BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON

By James H. Hannon
Chairman

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