

ORDINANCE NO. 399

**AN ORDINANCE OF THE BOROUGH COUNCIL OF
DUNCANNON BOROUGH, PERRY COUNTY, PENNSYLVANIA,
REPEALING ORDINANCE NO. 362 AS CODIFIED AT CHAPTER
38 PENSIONS OF THE CODE OF THE BOROUGH OF
DUNCANNON AND ENACTING A NEW ORDINANCE TO BE
CODIFIED AT CHAPTER 38 PENSIONS**

Section 1. Purpose

The purposes of this Ordinance are to enact a new ordinance to be codified at Chapter 38 Pensions; to approve the 2013 Municipal and Police Pension Plans for uniformed and non-uniformed employees for administration by the Pennsylvania Municipal Retirement System; and to clarify provisions relating to plan acceptance, effective date, copies, membership and administration.

Section 2. Authority

This Ordinance is enacted under authority of the Borough Code, 53 P.S. § 46203, and the Pennsylvania Municipal Retirement Law, 53 P.S. §§ 881.101 *et seq.*,

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Council of Duncannon Borough:

Section 3. Chapter 38 Pensions

Chapter 38 Pensions shall be deleted in its entirety and replaced with the following:

ARTICLE I
Municipal (Non-Police) Employee Pension Plan

§ 38-1. Election to change benefits.

Duncannon Borough, being a member municipality of the Pennsylvania Municipal Retirement System (System), hereby elects to change its municipal (non-police) employee member benefits in that System, as authorized by the Pennsylvania Municipal Retirement Law, Act 15 of 1974, as amended, 53 P.S. §§ 881.101 *et seq.* (Law), and does hereby agree to be bound by all the requirements and provisions of said Law and to assume all obligations, financial and otherwise, placed upon member municipalities. All references hereafter shall be based on benefits negotiated between the Pennsylvania Municipal Retirement Board (Board) and the Borough under the provisions of Article IV of the Law.

§ 38-2. Membership.

Membership in the Pennsylvania Municipal Retirement System shall be mandatory for all full-time municipal (non-police) employees of the Borough. Membership for elected officials, part-time employees, and employees hired on a temporary or seasonal basis is prohibited, as is membership for individuals paid only on a fee basis.

§ 38-3. Credit for prior service.

Credit for prior service for original municipal (non-police) employee members is granted for each year or partial year thereof that the member was employed by the Borough from original date of hire. Benefits provided to members in the Municipal Pension Plan entered into between the Board and the Borough effective January 1, 2013 (Municipal Pension Plan) shall accrue based on all credited service granted and earned in accordance with this Section.

§ 38-4. Payments by Borough.

Payment for any obligation established by the adoption of this Article and agreement between the Board and the Borough shall be made by the Borough in accordance with the Law and Act 205 of 1985, the Municipal Pension Plan Funding Standard and recovery Act, 53 P.S. §§ 905.101 *et seq.* The Borough intends to assume all liability for any unfundedness created due to the benefit structure set forth in the Municipal Pension Plan.

§ 38-5. Acceptance of Municipal Pension Plan.

As part of this Article, the Borough agrees that the System shall provide the benefits set forth in the Municipal Pension Plan. The passage and adoption of this Article by the Borough is an official acceptance of said agreement and the financial obligations resulting from the administration of said benefits package. The Borough assumes all liability for any unfundedness created due to the acceptance of the benefits structure outlined in the above-referenced agreement.

§ 38-6. Municipal Pension Plan; complete authorization.

Duncannon Borough intends this Article to be the complete authorization of the Municipal Pension Plan.

§ 38-7. Copies of file; membership effective date.

A duly certified copy of this Article and the Municipal Pension Plan shall be filed with the Pennsylvania Municipal Retirement System of the Commonwealth of Pennsylvania. Membership for the municipal (non-uniformed) employees of the Borough in the System shall be effective with the revised plan structure reflected in the Municipal Pension Plan with an effective date of January 1, 2013.

ARTICLE II

Police Pension Plan

§ 38-8. Election to change benefits.

Duncannon Borough, being a member municipality of the Pennsylvania Municipal Retirement System (System), hereby elects to change its police employee member pension benefits in that System, as authorized by the Pennsylvania Municipal Retirement Law, Act 15 of 1974, as amended, 53 P.S. §§ 881.101 *et seq.* (Law), and does hereby agree to be bound by all the requirements and provisions of said Law and to assume all obligations, financial and otherwise, placed upon member municipalities. All references hereafter shall be based on benefits negotiated between the Pennsylvania Municipal Retirement Board (Board) and the Borough under the provisions of Article IV of the Law.

§ 38-9. Membership.

Membership in the System shall be mandatory for all full-time police officers of the Borough. Membership for part-time police officers and police officers hired on a temporary or seasonal basis is prohibited, as is membership for police officers paid only on a fee basis.

§ 38-10. Credit for prior service.

Credit for prior service for original police employee members is granted for each year or partial year thereof that the police member was employed by the Borough from the original date of hire. Benefits provided to police members in the Police Pension Plan entered into between the Board and the Borough effective January 1, 2013 (Police Pension Plan) shall accrue based on all credited service granted and earned in accordance with this Section.

§ 38-11. Payments by Borough.

Payment for any obligation established by the adoption of this Article and agreement between the Board and the Borough shall be made by the Borough in accordance with the Law and Act 205 of 1985, the Municipal Pension Plan Funding Standard and Recovery Act, 53 P.S. §§ 905.101 *et seq.* The Borough intends to assume all liability for any unfundedness created due to the benefit structure set forth in the Police Pension Plan.

§ 38-12. Acceptance of Police Pension Plan.

As part of this Article, the Borough agrees that the System shall provide the benefits set forth in the Police Pension Plan. The passage and adoption of this Article by the Borough is an official acceptance of said agreement and the financial obligations resulting from the administration of said benefits package. The Borough assumes all liability for any unfundedness created due to the acceptance of the benefits structure outlined in the above-referenced agreement.

§ 38-13. Police Pension Plan; complete authorization.

The Borough intends this Article to be the complete authorization of the Police Pension Plan.

§ 38-14. Copies on file; membership effective date.

A duly certified copy of this Article and the referenced Police Pension Plan shall be filed with the Pennsylvania Municipal Retirement System of the Commonwealth of Pennsylvania. Membership for the police employees of the Borough in the System shall be effective with the revised plan structure reflected in the Police Pension Plan with an effective date of January 1, 2013.

ARTICLE III

§ 38-15. Authorized acts.

The Borough Manager of the Borough may do any of the following as the representative of and acting on behalf of the Borough Council of the Borough:

- (a) To receive and acquiesce in the correctness of notices, confirmations, requests, demands, and communications of every kind relating to the subject matter of this Chapter;
- (b) Upon notice to and direction from the Borough Council of the Borough, to settle, compromise, adjust and give releases with respect to any and all claims, demands, disputes and controversies, pending or contingent relating to the subject matter of this Chapter;
- (c) Upon notice to and direction from the Borough Council of the Borough to make other agreements and take any other action relating to (a) or (b).

Section 4. Repealer.

All ordinances in effect as of the time of enactment of this Ordinance, to the extent that the same are inconsistent with the terms of this Ordinance, are repealed.

Section 5. Effective Date.

This Ordinance shall be in force and effect as soon as permitted by operation of Section 48301.3(b) of the Borough Code.

ENACTED AND ORDAINED this ____ day of _____, 2014.

ATTEST:

Kathryn Bauer, Secretary

Duane Hammaker
President of Council

(SEAL)

DULY EXAMINED AND APPROVED this ____ day of _____, 2014.

Jack Conrad