

1 An Ordinance pertaining to The Firemen’s Retirement System of St. Louis, repealing
2 Section Six of Ordinance 49623, codified as Section 4.18.060 of the Revised Code of the City of
3 St. Louis, and enacting in lieu thereof a new section pertaining to the jurisdiction and authority of
4 the trustees of the The Firemen’s Retirement System of St. Louis; containing an emergency
5 clause.

6 **WHEREAS**, in 1959 the City adopted Ordinance 49623, establishing The Firemen’s
7 Retirement System of St. Louis (“FRS”), effective January 1, 1960, under the general authority
8 of Senate Bill 314, approved by the Missouri General Assembly.

9 **WHEREAS**, the City is required to fund FRS to the extent investment returns and other
10 revenues are insufficient to fund benefit obligations.

11 **WHEREAS**, FRS incurred actuarial investment losses totaling more than \$256 million
12 during the eleven-year period from 2001 through 2011, resulting in an unfunded liability in
13 excess of \$117 million.

14 **WHEREAS**, during the same period of time, the City’s required annual payment to FRS
15 increased by 586 percent, from \$3,365,007 to \$23,072,000 (not including service of debt
16 incurred to fund contributions).

17 **WHEREAS**, the City therefore wishes to clarify, augment and amend the provisions of
18 FRS ordinances relating to the duties and responsibilities of FRS trustees so as to assure that said
19 trustees do not exceed the intended scope of their authority.

20 **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

21 **SECTION ONE.** Sections Six of Ordinance 49623 (codified as Section 4.18.060 of
22 the Revised Code of the City of St. Louis), is hereby repealed, and in lieu thereof a new Section
23 Six is enacted to read as follows herein. The provisions of this Ordinance shall supercede any
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1 other ordinance or part of an ordinance to the extent such other ordinance or part of an ordinance
2 conflicts herewith.

3 **SECTION TWO. Jurisdiction.**

4 The Board of Trustees shall have exclusive original jurisdiction in all matters relating to
5 or affecting the funds provided for in this chapter, including, in addition to all other matters, all
6 claims for benefits and refunds under this law, and its action, decision or determination in any
7 matter shall be reviewable under Chapter 536, RSMo, only, and any party to the proceedings
8 shall have a right of appeal from the decision of the reviewing court. Subject to the limitations of
9 this act, the Board of Trustees shall, from time to time, establish rules and regulations for the
10 administration of funds created by this law, for the transaction of its business, and for the
11 limitation of the time within which claims may be filed. The provisions of this Section shall be
12 codified as Section 4.18.060 A of the Revised Code of the City of St. Louis.

13 **SECTION THREE. Administration – Duties of Trustees.**

14 (a) Plan Administrator. The authority and responsibility for the interpretation,
15 operation and general administration of the Plan shall be vested in the Board of Trustees.

16 (b) Duties of Plan Administrator. The Board of Trustees shall have the discretionary
17 authority and responsibility to interpret and manage the Plan and exercise all fiduciary
18 responsibilities with respect to the Plan. The duties and powers of the Board of Trustees as
19 Plan Administrator shall include, but not be limited to, the following:

20 (1) To interpret the Plan provisions and to decide all questions concerning the Plan
21 and the eligibility of any Employee to participate in the Plan and to receive
22 benefits from the Plan;

- 1 (2) To authorize the payment of benefits at such times and in such manner as they
2 determine are consistent with the terms of the Plan;
- 3 (3) To keep accurate and detailed records of the administration of the Plan, including
4 the amount of Accumulated Contributions credited to the account of each
5 Member, which records shall be open to inspection by the City at all reasonable
6 times;
- 7 (4) To establish and enforce such rules, regulations and procedures as it shall deem
8 necessary or proper for the efficient administration of the Plan;
- 9 (5) To delegate to any agents such duties and powers, both ministerial and
10 discretionary, as it deems appropriate, by an instrument in writing which specifies
11 which such duties are so delegated and to whom each such duty is so delegated;
12 and
- 13 (7) To keep a record of all its proceedings, which shall be open to public inspection,
14 and to publish annually a report showing the fiscal transactions of the Plan for the
15 preceding fiscal year and the financial statement showing the assets of the Plan.

16 Notwithstanding any other provision of the City's ordinances, the FRS Board of Trustees
17 shall have no duty or authority with respect to the establishment, design, amendment or
18 termination of the plan. Such functions are settlor functions, which are reserved to the City, not
19 fiduciary functions, in accordance with trust law. In particular, the Board of Trustees shall have
20 no duty or authority to contest or challenge actions taken by the City with respect to the
21 establishment, design, amendment or termination of the FRS, or any other action taken by the
22 City in its capacity as settlor of the FRS or employer of plan members; and shall not authorize

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1 the expenditure of any assets of the FRS to fund any such contest or challenge, including but not
2 limited to expenses related to litigation. The fiduciary authority of the Board of Trustees
3 includes discretionary control over investment of assets of the Trust Fund. In particular,
4 enforcing collection of a receivable, such as an obligation of the City to make a contribution to
5 the plan, is included in the scope of the fiduciary duties and authority of the Board of Trustees.
6 A Trustee shall be liable to the City for any damages to, or expense incurred by, the City as a
7 result of any action by the Board of Trustees in contravention of this paragraph if such Trustee
8 voted in favor of such action.

9 The provisions, terms and conditions of this section shall be codified as Section 4.18.060
10 B of the Revised Code of the City of St. Louis.

11 **SECTION FOUR. Emergency Clause**

12 This being an ordinance for the preservation of public peace, health and safety, it is
13 hereby declared to be an emergency measure within the meaning of Sections 19 and 20 of Article
14 IV of the Charter of the City of St. Louis and therefore shall become effective immediately upon
15 its passage and approval by the Mayor.