

Amend CSHB 2866 by adding the following appropriately numbered Sections to the bill and renumbering subsequent Sections as appropriate:

SECTION ____ Section 2, Chapter 88, Acts of the 77th Legislature, Regular Session, 2001 (Article 6243h, Vernon's Texas Civil Statutes), is amended by amending Subsections (c), (d), (e), (h), (j), (n), and (p) and adding Subsections (c-1), (c-2), (c-3), (h-1), (j-1), and (n-1) to read as follows:

(c) The pension board consists of nine trustees as follows:

(1) an employee of the city's financial division [~~the mayor of the city, or the director of the civil service commission as the mayor's representative~~];

(2) an actuary [~~the city treasurer or a person performing the duties of treasurer~~];

(3) two [~~four~~] municipal employees of the city who are members of the pension system;

(4) two retirees, each of whom:

(A) has at least five years of credited service in the pension system;

(B) receives a retirement pension from the pension system; and

(C) is not an officer or employee of the city; [~~and~~]

(5) one person who:

(A) has been a resident of this state for the three years preceding the date of initial appointment; [~~and~~]

(B) is not a city officer or employee and is not related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to a person who is a city officer or employee;

(C) is a registered voter of the city;

(D) is not a member of the municipal pension system and is not related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to a person who is a member of the municipal pension system; and

(E) meets the qualifications established by the pension board under Subsection (j-1) of this section; and

(6) two registered investment advisors.

(c-1) To serve as a trustee under Subsection (c)(1) of this section, the person must be appointed by the mayor.

(c-2) To serve as a trustee under Subsection (c)(2) of this section, the person must be a fellow of the Society of Actuaries who is appointed by the pension review committee of the city council or, if a pension review committee does not exist, by a vote of a majority of the members of the city council. The trustee who is appointed under this subsection shall:

(1) submit quarterly reports to the pension review committee of the city council or, if a pension review committee does not exist, to the city council; or

(2) meet quarterly with the pension review committee of the city council or, if a pension review committee does not exist, with the city council.

(c-3) The trustee appointed under Subsection (c)(2) of this section may be removed at any time by a vote of a majority of the city council. A vacancy caused by the trustee's death, resignation, or removal shall be filled by the city council. The appointee serves for the remainder of the unexpired term of the replaced trustee. The trustee appointed to fill the remainder of the term may not serve beyond the expiration of the three-year term unless the trustee is appointed for a new term by the pension review committee of the city council or, if a pension review committee does not exist, by a vote of a majority of the members of the city council.

(d) To serve as a trustee under Subsection (c)(3) of this section, a person must be a member with at least five years of credited service and be elected by the active members of the pension system at an election called by the pension board. The ~~[No more than two of the]~~ employee trustees may not be employees of the same department.

(e) A person elected as an employee trustee under Subsection (d) of this section who retires during the trustee's term shall remain in office until the expiration of the term. ~~[Persons elected as employee trustees serve staggered four year terms, with the terms of two of the trustees expiring in each even numbered year.]~~

~~Each employee trustee shall continue to serve until a successor is qualified.]~~

(h) To serve as a trustee under Subsection (c)(6) of this section, the person must be appointed by the pension review committee of the city council or, if a pension review committee does not exist, by a vote of a majority of the members of the city council. A trustee who is appointed under this subsection shall:

(1) submit quarterly reports to the pension review committee of the city council or, if a pension review committee does not exist, to the city council; or

(2) meet quarterly with the pension review committee of the city council or, if a pension review committee does not exist, with the city council.