

**FIRST AMENDMENT
TO
MEET AND CONFER AGREEMENT**

C56312
04-1317

THIS FIRST AMENDMENT TO MEET AND CONFER AGREEMENT ("First Amendment") is made this 21st day of December, 2004 (the "Effective Date"), by and between the Board of Trustees ("Board") of the Houston Municipal Employees Pension System ("HMEPS") and the City of Houston, Texas ("City") pursuant to the statutory authority under the provisions of Article 6243h, Tex. Rev. Civ. Stats. ("Statute");

WITNESSETH

WHEREAS, the provisions of Section 3(n) of the Statute governing HMEPS provides that, notwithstanding any other law, the Board may enter into a written agreement with the City regarding pension issues and benefits; and

WHEREAS, pursuant to such authority, the Board and City have previously entered into an agreement, effective September 15, 2004 ("Meet and Confer Agreement"); and

WHEREAS, the City and the Board (each a "Party" and, collectively, the "Parties"), desire to amend the Meet and Confer Agreement to the extent provided herein;

NOW, THEREFORE, in consideration of the premises and the mutual promises contained in this First Amendment, the Board and the City agree as follows:

1. DEFINITIONS

Unless specifically defined otherwise in this First Amendment all words shall have the same meaning provided in the Statute and/or the Meet and Confer Agreement, as determined by the Board.

2. GROUP C

(a) Effective January 1, 2005, the provisions of Section 6 of the Statute shall not apply to any employee. An employee who would otherwise meet the definition of "Executive official" under Section 6(b)(3) shall, if otherwise eligible, automatically become a Group A member beginning on January 1, 2005, for credited service on or after such date.

(b) Subsection (a) of this Section:

(i) shall not affect any credited service or benefit percentage accrued on behalf of a Group C member prior to January 1, 2005;

(ii) shall not affect any Group C benefit that a deferred vested participant or retiree is eligible to receive that was earned prior to January 1, 2005; and

(iii) shall not affect the terms and obligations of any service purchase obligation to convert service to Group C that was entered into prior to January 1, 2005.

(c) A Group C member who terminates employment prior to January 1, 2005, is subject to the retirement eligibility requirements in effect on his or her termination date. A Group C member who becomes a Group A member as of January 1, 2005, is subject to the retirement eligibility provisions of Section 4 of the Meet and Confer Agreement.

3. **LEGISLATIVE ISSUES**

Effective immediately upon execution of this First Amendment by the Parties, Section 19 of the Meet and Confer Agreement is amended to delete in its entirety, the last sentence thereof.

4. **AUTHORITY**

Each of the Parties represents and warrants that it has full power and authority to enter into and perform its obligations under this First Amendment, and that each of the Parties hereto has been properly authorized and empowered to enter into this First Amendment.

5. **SURVIVAL OF MEET AND CONFER AGREEMENT**

Except as otherwise expressly amended hereby, the Meet and Confer Agreement remains in full force and effect from and after the Effective Date hereof and for the term provided therein.

IN WITNESS WHEREOF, the Parties have executed this First Amendment effective as of the Effective Date.

HOUSTON MUNICIPAL EMPLOYEES
PENSION SYSTEM

By: 

Name: DAVID L. LONG

Title: EXECUTIVE DIRECTOR

Date: JANUARY 7, 2005

CITY OF HOUSTON

By: See pg. 3

Name: _____


Title _____

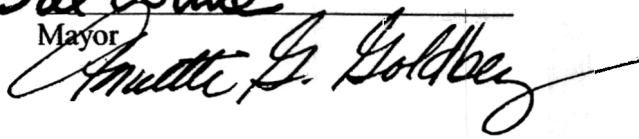
Date: _____


CITY OF HOUSTON, TEXAS

Signed by:

City Secretary



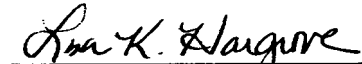
Mayor




City Controller

APPROVED AS TO FORM:

DATE COUNTERSIGNED:



Sr. Assistant City Attorney
L.D. File No.

