

COUNCIL BILL NO.: 327991ORDINANCE NO. 4906

AN ORDINANCE

APPROVING The Pension Board's recommendation to provide a four percent (4%) one time increase in monthly benefits effective July 1, 1991 to those retirees who retired from active service and to survivors receiving benefits whose monthly benefits have not been regularly increased since their initial retirement date, and to approve a contribution level of 12.67% of payroll to fund the Pension Plan.

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF MARIETTA, GEORGIA, THAT:

Section 1: The Georgia minimum contribution level to fund the Pension Plan for fiscal 1991-92 is 12.5% of projected payroll as determined by a valuation and review of the Pension Fund.

Section 2: Effective July 1, 1991 the contribution level will be set at 12.67% of projected payroll to meet the Georgia minimum contribution funding level and to provide a one time four percent increase in monthly benefits to said retirees of active service and survivors of retirees from active service who have not received regular increases since their initial retirement date.

Section 3: It is hereby declared to be the intention of this Ordinance that its sections, paragraphs, sentences, clauses, phrases and words are severable, and if any section, paragraph, sentence, clause, phrase or word of this Ordinance is declared to be unconstitutional or invalid, it shall not affect any of the remaining sections, paragraphs, sentences, phrases or words of this Ordinance.

Section 4: All Ordinances or parts of Ordinances in conflict with this Ordinance are hereby repealed.

Section 5: This Ordinance shall become effective upon the signature or without the signature of the Mayor, subject to Georgia laws 1983, page 4119.

DATE: June 12, 1991APPROVED: MAYOR AND COUNCILATTEST: CITY CLERK

MNA336

M E M O R A N D U M

DATE: May 23, 1991
TO: Personnel Committee Members
THRU: Ken Vanderslice, City Manager
FROM: Nancy Martin, Director of Human Resources *N. Martin*
SUBJECT: Increase In Pension Benefits for Certain Retirees and Survivors

ISSUE: The Pension Board has approved and is recommending a one time four percent (4%) increase in monthly pension benefits for retirees of active service and survivors of retirees of active service who have not received a regular increase since their initial retirement date.

BACKGROUND INFORMATION: The Pension Board has received numerous requests from retirees to increase their pension benefits. These retirees and beneficiaries do not qualify for an annual cost-of-living increase as do uniform retirees and beneficiaries who fall under Pension Ordinance 4022. Therefore, they have not kept up with inflation and their benefit levels have fallen substantially behind.

Uniform retirees and eligible beneficiaries who fall under Pension Ordinance 4022 have received up to a four percent cost-of-living increase annually based on changes in the current average cost-of-living index figure.

The Pension Board has considered the request and is recommending a four percent (4%) one time increase in monthly benefits effective July 1, 1991 to those retirees who retired from active service and to survivors receiving benefits whose monthly benefits have not been regularly increased since their initial retirement date. The recommended increase would not bring the retirees up to the current level of inflation but would help offset the amount they have fallen behind.

FINANCIAL CONSIDERATIONS: Jim Siewert of Martin E. Segal Company, the Pension Plan's actuaries have calculated the costs to be \$29,700. As a percent of projected payroll, this would require an additional .17% contribution level to fund the four percent increase.

RECOMMENDATION: That the recommendation of the Pension Board as described in the attached Ordinance be approved.