



Memphis City Council Summary Sheet

- This item is an Ordinance to amend Chapter 25, Code of Ordinances, City of Memphis, so as to increase pension benefits allowable under Section 25-95 and Section 25-195
- Initiating Party: Finance Division
- This Ordinance changes an existing Ordinance
- This Ordinance does not require a new contract or amends an existing contract
- This Ordinance does not require any expenditure of General funds. However, the City's Pension Fund will be impacted as follows:
 - Increase In Pension Plan Liabilities: \$13,236,000
 - Increase in Pension Plan Annual Contribution: \$ 1,042,000

ORDINANCE NO.: 5359

AN ORDINANCE TO AMEND CHAPTER 25, CODE OF ORDINANCES, CITY OF MEMPHIS, SO AS TO INCREASE PENSION BENEFITS ALLOWABLE UNDER SECTION 25-95 AND SECTION 25-195

SECTION 1. BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS,

that Chapter 25, Code of Ordinances, City of Memphis, be and the same is hereby amended by adding

Subsection (w) under Section 25-95 to read as follows:

(w) Effective July 1, 2010, the following additional increases shall take effect:

- (1) Members who retired prior to 1996 shall receive an increase in the amount of one and one half percent (1.5%) of their present allowance.
- (2) Members who retired during the years 1996 through 2001 shall receive an increase in the amount of one percent (1%) of their present allowance.
- (3) Members who retired during the years 2001 through 2008 shall receive an increase in the amount of one half percent (.5%) of their present allowance.

SECTION 2. BE IT FURTHER ORDAINED, that Chapter 25 is further amended by adding

Subsection (w) under Section 25-195, to read as follows:

(w) Effective July 1, 2010 the following additional increases shall take effect:

- (1) Members who retired between the period of July 1, 1980 through December 31, 1995 shall receive an increase in the amount of one and one half percent (1.5%) of their present allowance.
- (2) Members who retired during the years 1996 through 2001 shall receive an increase in the amount of one percent (1%) of their present allowance.
- (3) Members who retired during the years 2001 through 2008 shall receive an increase in the amount of one half percent (.5%) of their present allowance.

SECTION 3. BE IT FURTHER ORDAINED, that this ordinance shall take effect from and

after the date it shall have been passed by the Council, signed by the Chairman of the Council, certified

and delivered to the Office of the Mayor in writing by the Comptroller, and become effective as

otherwise provided by law.

THE FOREGOING ORDINANCE
5359 PASSED

1st Reading 5-11-10

2nd Reading 5-25-10

3rd Reading 6-8-10

Approved [Signature]
Chairman of Council

Date Signed: 06/22/2010

Approved: [Signature]
Mayor, City of Memphis

Date Signed: 6/28/2010

I hereby certify that the foregoing is a true copy, and said document was adopted by the Council of the City of Memphis as above indicated and approved by the Mayor.

Valerie C. Sipes
Comptroller

April 9, 2010

Ms. Patrice Thomas
City Comptroller
City of Memphis
125 North Main St., Room 348
Memphis, Tennessee 38103-2080

Re: Retirement Plan COLA

Dear Patrice:

As requested, we have determined the effect of the cost-of-living adjustment (COLA) for current retirees on the City's retirement plan obligations under three different scenarios. The results of our analysis are shown in the attached exhibit. The increased contributions required to fund these liabilities are based on a 30 year amortization period.

	Increase in Plan Liabilities	Increase in Annual Contribution
1.0%, 2.0%, and 3.0% Benefit Increases	\$26,473,000	\$2,085,000
1.0%, 1.0%, and 1.0% Benefit Increases	\$12,944,000	\$1,020,000
0.5%, 1.0%, and 1.5% Benefit Increases	\$13,236,000	\$1,042,000

Our calculations are based upon generally accepted actuarial methods and the data and assumptions utilized in the most recent valuation of the plan. These calculations were performed at the City's request and do not represent a recommendation of PricewaterhouseCoopers LLP.

This document was not intended or written to be used, and it cannot be used, for the purpose of avoiding U.S. federal, state or local tax penalties.

The undersigned are members of the Society of Actuaries and the American Academy of Actuaries and meet the "General Qualification Standards" for rendering an actuarial opinion relating to pension plans.

Ms. Patrice Thomas
April 9, 2010
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If you have any questions, or would like us to evaluate other alternatives, please let us know.

Sincerely,



Jerrold Dubner
Associate of the Society of Actuaries
Member, American Academy of Actuaries



Donald H. Burris
Associate of the Society of Actuaries
Member, American Academy of Actuaries

Attachments

cc: Roland McElrath (w/attachments)
James Stokes (w/attachments)

SUBSTITUTE ORDINANCE NO. 5361
ORDINANCE FIXING TAX RATE OF THE CITY OF MEMPHIS FOR
FISCAL YEAR 2011

SECTION 1. BE IT ORDAINED by the Council of the City of Memphis, Tennessee that a tax of THREE DOLLARS AND EIGHTY-NINE TEN THOUSANDTHS CENTS (\$3.0089) is hereby levied for the current year 2010-2011 (Fiscal Year 2011), on each ONE HUNDRED DOLLARS (\$100.00) of assessed value of each species of taxable property within the corporate limits of the City of Memphis, Tennessee subject to the taxing power of Memphis to be apportioned as hereinafter set forth in Section 4 of this Ordinance.

SECTION 2. BE IT ORDAINED by the Council of the City of Memphis, Tennessee that a school tax of EIGHTEEN ONE HUNDREDTHS AND SIXTY-EIGHT TEN THOUSANDTHS CENTS (\$.1868) is hereby levied for the current year 2010-2011 (Fiscal Year 2011), on each ONE HUNDRED DOLLARS (\$100.00) of assessed value of each species of taxable property within the corporate limits of the City of Memphis, Tennessee subject to the taxing power of Memphis for the Board of Education of the Memphis City Schools, the proceeds of the tax levied in this Section 2 to be used by the Board of Education in the manner provided by the law, including the payment of annual interest, sinking fund and serial retirement charges on all outstanding bond issues by the said Board of Education as required by law and all bonds and notes issued by the City of Memphis for and on behalf of the said Board of Education, provided that should the Board of education fail to pay principal and interest on any note issued by the City of Memphis for

and on behalf of the said Board of Education, the Treasurer is directed and is hereby authorized to retain out of said taxes collected for said Board a sufficient sum to pay interest upon said notes or bonds and to pay said notes or bonds as they mature.

SECTION 3. The taxes levied in Sections 1 and 2 above shall be due and payable to the City Treasurer of the City of Memphis from and after the last publication of a notice of the adoption of the Ordinances. Said publication shall be made by the Council of the City of Memphis for two consecutive days in a newspaper published in the City of Memphis after the final passage of the Ordinance and shall fix a day to be determined upon receipt of official certification of the 2010 assessment of which the tax books shall be opened for the payment of taxes.

All taxes hereby levied shall become delinquent if unpaid on September 1, 2010 as provided by Section 36-3 of the Code of Ordinances, City of Memphis, Tennessee.

SECTION 4. BE IT FURTHER ORDAINED that the taxes levied in Section 1 of this Ordinance when collected shall be apportioned as follows:

For the General Purposes of the Corporation of the City of Memphis, TWO DOLLARS AND TWENTY-NINE ONE HUNDREDTHS AND SEVENTEEN TEN THOUSANDTHS CENTS, (\$2.2917) on each ONE HUNDRED DOLLARS (\$100.00) of assessed valuation.

For the Capital Pay-As-You-Go (additional funding for capital acquisitions consistent with new debt policy) of the Corporation of the City of Memphis, THIRTY-ONE TEN THOUSANDTHS CENTS, (\$.0031) on each ONE HUNDRED DOLLARS (\$100.00) of

assessed valuation.

For the Debt Service of the Corporation of the City of Memphis, including interest and principal payments, sinking fund contributions and interest and principal on temporary borrowing, SEVENTY-ONE ONE HUNDREDTHS, FORTY-ONE TEN THOUSANDTHS CENTS, (\$.7141) on each ONE HUNDRED DOLLARS (\$100.00) of assessed valuation.

SECTION 5. BE IT FURTHER ORDAINED that the Treasurer is hereby authorized to issue separate tax bills for the taxes levied in Sections 1 and 2 above.

SECTION 6. BE IT FURTHER ORDAINED that this ordinance take effect from and after the date it shall have been passed by the Council signed by the Chairman of the Council, certified and delivered to the Office of the Mayor in writing by the Comptroller, and become effective as otherwise provided by law.


Chairman of Council

ATTEST:

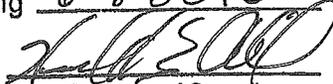
Comptroller

THE FOREGOING ORDINANCE
5361 PASSED

1st Reading 5-11-2010

2nd Reading 5-25-2010

3rd Reading 6-8-2010

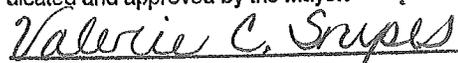
Approved 
Chairman of Council

Date Signed: 06/11/2010

Approved: 
Mayor, City of Memphis

Date Signed: 6/28/2010

I hereby certify that the foregoing is a true copy, and said document was adopted by the Council of the City of Memphis as above indicated and approved by the Mayor.


Comptroller