3
3/24/2011

Revised 3/24/2011

Ad Hoc Retirement Benefit Advisory Group
Proposed Work Plan

1. Purpose of Retirement Benefit Advisory Group (based on Resolution #2432):

    a. To look at the need for any future changes to defined benefit pension plans created under the authority of the City Council,
    b. To examine the current financial status of the City's pension funds,
    c. To advise the City Manager and City Council Pension and Compensation Subcommittee on any options that should be considered to meet the following objectives:

        i. To protect benefits already earned (accrued) by retirees and current employees,
        ii. To ensure the City remains competitive in competing with neighboring jurisdictions for capable and effective public service employees,
        iii. To provide an opportunity for City employees to save for and have a secure retirement,
        iv. To consider the advantages and disadvantages of defined benefit vs. defined contribution pension plans and make recommendations on the structure of future plans, and
        v. To create a fiscally sustainable plan for funding future benefits whether earned or to be earned in the future.

2. Expected Product

    a. Report should evaluate need for changes based on financial status of City's pension plans based on
        i. Outlook for future sustainability of those plans given actuarial outlook and investment risks and expected returns.
        ii. Assessments of likely federal, state and GASB developments, to the extent known over the next 12 months, in accounting, disclosure and funding rules
    b. Report should offer menu of options that should be considered by City Council to meet future challenges
    c. Unanimity not required. Report may contain variety of potential options for consideration.
    d. Each option should contain assessment of advantages and disadvantages vis-à-vis the objectives outlined above.
    e. Included in the assessment should be a recognition of the ease or difficulty of administrative implementation of the options

3. Composition

    a. Mayor to appoint members
    b. 6 Employee Representatives
        i. 2 members of Police/Fire Pension Plan
        ii. 2 members of Deputy Sheriff/EMT Plan
        iii. 2 members of VRS/City Supplemental Plans
    c. 6 Members of the public
        i. 1 of whom shall be from BFAAC
    d. 1 Representative of the City Manager
        i. Bruce Johnson CFO

4. Staff Support and Contractor Support Potentially Available

    a. Deputy City Manager, Michele Evans
    b. Deputy CFO/Finance Director, Laura Triggs, and Retirement Administration Director, Steven Bland
    c. Human Resources Director, Cheryl Orr
    d. Cheiron (actuarial services)
    e. Dahab Associates (financial advisor to Police/Fire Pension Board and trustees of other plans)

5. Schedule (suggested)

    a. January - Authorizing Resolution (January 24, 2011)
    b. March – Appointment of Members (by Mayor) (March 8, 2011)
    c. Initial organizing meeting (March 24, 2011)
    d. April - Briefings for Members on Public Retirement Plan Issues and Each Plan's Features
        i. Public Retirement Plan Issues and trends
            1. GASB developments
            2. Federal Legislative developments
            3. Other State and other local government pension trends
            4. Local comparator jurisdictions
            5. VA developments re: VRS
            6. National trends
        ii. Plan Features
            1. Participants
            2. Benefits
            3. Funding Sources
            4. Financial status as of 6/30/2010 (CAFR)
            5. Financial Status of Pension Funds under different future scenarios
            6. Investments - Asset Allocation/Investment Strategy
    e. May/June – Discussion of possible options for consideration
    f. July/August –

    i. Review of Options with Employees and Opportunity for Public Comment
    ii. Development of Detailed Assessments of Options Based on Council's Objectives for Group

g. September – Formulation of Recommendations Based on Employee and Public Input and Detailed Assessments
h. October – Advisory Group Presentation to City Council Compensation Subcommittee
i. November -- Presentation of Recommendations of City Council Subcommittee to Full City Council (in time for use in developing FY 2013 Budget Guidance