

ST. PETERSBURG CITY COUNCIL

Consent Agenda

Meeting of January 8, 2009

TO: Honorable James S. Bennett, Chair and Members of City Council

SUBJECT: Recommendation to Approve the Increase to Pension Benefits for Retirees and Beneficiaries Receiving Benefits under the Employees' Retirement System ("Plan")

EXPLANATION:

Sections 22-137 and 22-172 of the St. Petersburg City Code provide for an annual cost-of-living adjustment to be applied to the current pension benefits of eligible retirees and beneficiaries of the Employees' Retirement System. Under current Code provisions, the Pension Board determines the rate of increase to be granted each year, subject to approval by City Council.

The Employees' Retirement System Pension Board annually receives a recommendation from the plan actuaries for the level of increase to be granted based on the Consumer Price Index ("CPI"), subject to a maximum adjustment equaling 2% for Prior Plan retired accounts and 1.5% for Supplemental Plan retired accounts. Given that the 2008 CPI reflects an inflation rate of 4.9%, the actuary recommended the maximum for both plans which is a 2.0% increase for Prior Plan accounts and a 1.5% increase for Supplemental Plan accounts. That recommendation was approved by the Pension Board.

The adjustment is proposed to become effective January 1, 2009 with the increase first appearing in the retirement benefit payments issued in January, 2009, and will affect approximately 1,107 pension accounts. The recommended adjustment will provide an annual increase of approximately \$194,385 to the eligible group.

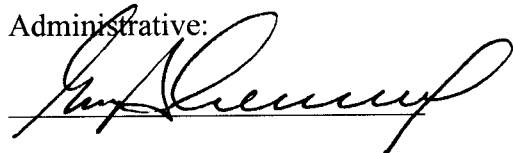
COST/FUNDING/ASSESSMENT INFORMATION:

The cost of the adjustment is within actuarial funding projections and will not increase the current rate of City contributions to the Employees' Retirement System.

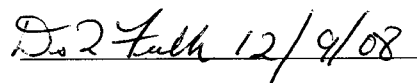
ATTACHMENTS: (1) Resolution approving Cost-of-Living Adjustments to retirees and beneficiaries of the City Employees' Retirement System.

APPROVALS:

Administrative:



Budget:



RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ADJUSTMENT OF PENSION BENEFITS PAYABLE BY THE EMPLOYEES' RETIREMENT SYSTEM AS PROVIDED BY THE CITY CODE, AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the St. Petersburg City Code provides for an annual determination of the cost-of-living adjustment to be applied to pension benefits of the Employees' Retirement System, and;

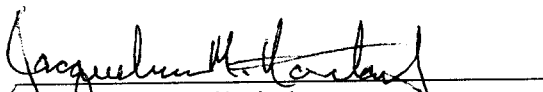
WHEREAS, the Board of Trustees of the Employees' Retirement System ('Board') recommended that an annual adjustment be applied, said adjustment equaling 2.0% for Prior Plan retired accounts and 1.5% for Supplemental Plan retired accounts, and be added to the current pensions.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida, that this Council approves the annual adjustment as stated above to be applied effective January 1, 2009, such increase to first appear in the retirement benefit payments issued in January, 2009.

BE IT FURTHER RESOLVED that all retired accounts established prior to October 1, 2008, shall be deemed eligible for the application of said adjustment.

This resolution shall become effective immediately upon its adoption.

APPROVED AS TO FORM AND CONTENT.


Jacqueline Kovilaritch
Assistant City Attorney