

COUNCIL COMMUNICATION

From: The Police and Fire Pension Board of Trustees

Subject: Amendment to Title I, Administrative Code, Chapter 16, Police Officers and Firefighters Retirement System, §16.02(B), Definitions, of the Saginaw Code of Ordinances, O-1

Manager's Recommendation:

It is recommended that Title I, Administrative Code, Chapter 16, Police Officers and Firefighters Retirement System, §16.02(B), Definitions, of the Saginaw Code of Ordinances, O-1 be amended.

Justification:

A police officer member of the retirement system was able to purchase additional prior law enforcement service time, pursuant to §16.08(A)(3), provided such member pay the total cost of those benefits. The Police and Fire Pension Board of Trustees elected to use an actuarial method of calculating the total cost to the pension fund, and the ordinance was amended on August 17, 2006 and the term: "total cost" was changed to: "total actuarial cost". This proposed amendment would add the definition of: "total actuarial cost" to the definition section of §16.02(B). The definition explains in detail the actuarial calculation process with examples. It should assist potential retirees in estimating such potential costs when they consider their purchase. It should also avoid disputes about how such total actuarial cost should be calculated.

Council Action:

This Council Communication is being submitted to explain the attached ordinance to be introduced.