

Proposed Plan Amendments – Additional Information

September 8, 2016

Retiree DROP balance options

- The goal of the Sub-committee recommendation was to provide options for retiree DROP balances that tied interest earned with ability to access the funds (liquidity)
- Members have expressed some dissatisfaction with the options presented.
- The final options and interest rates will be included in a policy, not the Plan document, so the Board can adjust the interest rates as may be warranted in the future based on the advice of the Actuary and Investment Consultant.
- Add 3 and 5-year CD-type options, paying rates that exceed the comparable rates in the market.

Governance

- The Sub-committee did not have a specific recommendation for governance changes. The thinking was that the full Board needed to determine appropriate recommended governance changes.
- Governance changes could include:
 - Term limits of Board members – this has been discussed at the full Board and will be included in the proposed amendments
 - The City Council would have the right to approve any plan changes which, in total, have the effect of increasing the Pension System's liability
 - Modify the Trustees appointed by the City to four members of their choosing, not restricted to City Council members