

Daisy Madison 8/18/08 4:43 PM

**Comment:**

**I. Re DROP**

A) Choice: For All Current Sworn Active

1. Keep DROP 'as is' but increase employee required contribution rate to 9%.
2. Use a Final Average Earnings as of the beginning of the DROP period. Employee contribution rate to be 8%. Interest applied during DROP period to be Actuarial Assumption Rate minus 3%. COLA not applied to the DROP account during the DROP period. COLA restored to monthly benefit at retirement.

Daisy Madison 8/18/08 4:44 PM

**Comment:** Pension Review committee imposed a maximum interest rate of 7%

B) New Hires: New DROP, which is Cost Neutral.

**II. Experiential Review**

A) Every 5 years by actuary and reviewed by City Admin/Pension Board

B) Impact of DROP on City

1. Cost: Moving toward cost neutrality
2. Workforce: No adverse impact on workforce
3. Council Review

**III. Governance**

A) 8 Member Board of Directors

1. Mayor's appointment to be:
  1. City employee
  2. Knowledgeable in public pension plans
2. 3 Firefighters
3. 3 Police Officers
4. "Public" Person jointly appointed by Mayor and Pension Board

Daisy Madison 8/19/08 1:37 PM

**Comment:** F&P board would like this to be a city council appointment

B) Public Accountability via Quarterly Reports