

ADMINISTRATION

Russell B. Truell
Assistant City Administrator, CFO
Finance



ITEM #21
BOMA
05/22/2012

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

H I S T O R I C
F R A N K L I N
T E N N E S S E E

MEMORANDUM

May 14, 2012

TO: Board of Mayor and Aldermen

FROM: City Administrator Eric S. Stuckey
Human Resource Director Shirley Harmon
Assistant City Administrator Russ Truell

SUBJECT: Cost of Living Increases for Retirees

Purpose

The purpose of this agenda item is to consider approval of a cost-of-living increase for existing recipients of benefits from the City of Franklin Pension Plan.

Background

The Board of Mayor & Aldermen has the authority to approve adjustments to the benefit levels of those retired under the City Pension Plan. For several years, the Board has followed the policy for cost of living increases used by the State of Tennessee Consolidated Retirement plan. The parameters used previously call for a cost-of-living increase that matches the increase in the "core" Consumer Price Index (CPI) for all items, excluding food & energy, subject to a 3% maximum. The measure is to be evaluated based on the April CPI, which will be available on May 15th.

Financial Impact

No impact to General Fund. Pension benefits are paid from the investment earnings of the Pension Fund.

Options

Adopt the recommendation of the Pension Committee and Finance Committee, suggest an alternative rate of increase, or take no action. Recent Board actions have been to make adjustments to the pension benefit of retirees (or their surviving spouses) that are generally in line with increases in consumer price levels.

Recommendation

Staff recommends that the Board continue the policy and approve a 2.3% increase, based on the April, 2012 CPI (Series ID: CUUR0000SA0L1E).

Data extracted on: May 15, 2012 (9:12:39 AM)

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SA0L1E

Not Seasonally Adjusted

Area: U.S. city average

Item: All items less food and energy

Base Period: 1982-84=100

Download:



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2002	188.2	189.2	189.8	190.3	190.2	190.1	190.3	191.0	191.3	191.8	191.8	191.4	190.5	189.6	191.3
2003	191.8	192.5	193.0	193.1	193.2	193.0	193.2	193.5	193.6	194.3	193.9	193.6	193.2	192.8	193.7
2004	194.0	194.9	196.1	196.5	196.5	196.6	196.6	196.8	197.4	198.2	198.1	197.8	196.6	195.8	197.5
2005	198.4	199.5	200.7	200.9	200.8	200.6	200.8	201.0	201.3	202.3	202.3	202.1	200.9	200.2	201.6
2006	202.6	203.6	204.9	205.5	205.7	205.9	206.2	206.7	207.2	207.8	207.6	207.3	205.9	204.7	207.1
2007	208.0	209.1	209.9	210.3	210.3	210.5	210.8	211.1	211.6	212.3	212.4	212.4	210.7	209.7	211.8
2008	213.1	213.9	214.9	215.1	215.2	215.6	216.0	216.5	216.9	217.0	216.7	216.1	215.6	214.6	216.5
2009	216.7	217.7	218.6	219.1	219.1	219.3	219.4	219.6	220.1	220.7	220.4	220.0	219.2	218.4	220.0
2010	220.1	220.6	221.1	221.2	221.2	221.3	221.3	221.6	221.9	222.1	222.1	221.8	221.3	220.9	221.8
2011	222.2	223.0	223.7	224.1	224.5	224.9	225.2	225.9	226.3	226.7	226.9	226.7	225.0	223.7	226.3
2012	227.2	227.9	228.7	229.3											

Change from April 2011 to April 2012 = 2.31%

Source: U. S. Bureau of Labor Statistics