

RESOLUTION 2014-25

**A RESOLUTION OF THE BOARD OF MAYOR AND
ALDERMEN FOR THE CITY OF FRANKLIN EMPLOYEES
PENSION PLAN, PROVIDING A COST OF LIVING
ADJUSTMENT TO THE MONTHLY BENEFIT FOR
RETIRED RECIPIENTS**

WHEREAS, the City of Franklin has periodically adopted a cost-of-living adjustment for recipients of benefits from the City of Franklin Employee Pension Plan, and

WHEREAS, the Board of Mayor and Aldermen wishes to approve a cost of living increase to maintain the purchasing power of retiree benefit payments, and

WHEREAS, the formula previously used by BOMA is based on the March-to-March change in the Consumer Price Index (CPI)-U.S. City average for all items less food & energy, as reported by the United States Bureau of Labor Statistics (BLS).

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen for the City of Franklin as follows:

Section 1. That the trustee of City of Franklin Employee Pension Plan be instructed to make effective on July 1, 2014, an increase equal to the change in the appropriate CPI series between March 2013 and March 2014 in the amount of monthly benefit to eligible beneficiaries of the Plan.

Section 2. That this Resolution shall be effective on July 1, 2014.

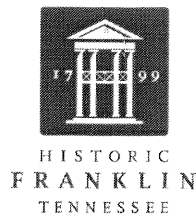
IT IS SO RESOLVED AND DONE on this _____ day of _____, 2014.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

By: _____
Eric Stuckey
City Administrator

By: _____
Ken Moore
Mayor



MEMORANDUM

March 13, 2014

TO: Board of Mayor and Aldermen

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

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 similar to the one used by the State of Tennessee Consolidated Retirement plan. The parameters 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 reevaluated each year based on the March CPI, which will be available on April 15th.

Financial Impact

No direct 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 changes in purchasing power of the benefit, based on consumer price levels.

Recommendation

Staff recommends that the Board continue the policy and approve an increase based on the March, 2014 CPI (Series ID: CUUR0000SA0L1E).

Data extracted on: March 7, 2014 (11:46:31 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
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
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
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
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
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
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
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
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
2012	227.2	227.9	228.7	229.3	229.6	229.9	229.9	230.2	230.8	231.3	231.3	231.0
2013	231.6	232.4	233.1	233.2	233.5	233.6	233.8	234.3	234.8	235.2	235.2	235.0
2014	235.4											

1.62% = year over year rate of inflation (through January)