



Legislation Text

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DATE: April 15, 2019

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Tallent, Assistant City Administrator/CFO
Kevin Townsel, Director of Human Resources

SUBJECT:

Consideration of Resolution No. 2019-23, A Resolution for the City of Franklin Employees' Pension Plan, Providing a Cost of Living Adjustment to the Monthly Benefit for Retired Recipients, Effective July 2019.
(04/23/19 WS)

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning a recommended cost of living increase for recipients of the closed single employer City of Franklin Employees' Pension Plan.

Background

The formula for providing a cost of living increase for the pension plan is based on the March to March change in the Consumer Price Index (CPI)- U.S. City average for all items less food and energy, as reported by the U.S. Bureau of Labor Stations (BLS). For the period of March 2018 to March 2019, the percentage change is 2.04%.

Financial Impact

A cost of living increase of 2.04% represents additional monthly payroll expense of approximately \$9,000 for the pension plan (\$108,000 increase annually).

Recommendation

Staff recommends approval of the resolution with a cost of living increase effective July 2019.