SPECIAL MEETING OF THE COUNCIL
OF THE
CITY OF DEARBORN

January 13, 2009

The Council convened at 5:29 P.M., President of the Council Thomas P. Tafelski presiding. Present at roll call were Councilmembers Abraham, Darany, Hubbard, Thomas (via phone) and President of the Council Tafelski. Absent: Councilmembers Sareini and Shooshanian. A quorum being present, the Council was declared in session.

DATE : January 12, 2009

TO : City Clerk

FROM : Mayor John B. O'Reilly, Jr.

SUBJECT : Special Council Meeting

You are hereby requested to call a Special Meeting of the City Council to be held on Tuesday, January 13, 2009 at 5:25 P.M. in the Mayor's Conference Room of the City Hall for the following purposes:

1. To take action to make public the report of the actuary pursuant to Section 17.2 of the City Charter, and

2. To consider such other items of business that may properly come before the Council in relation to the above subject matters.

S/John B. O'Reilly, Jr.
Mayor

By Darany supported by Abraham.

1-21-09. WHEREAS: The Chief Labor Negotiator has requested an amendment to the Police and Fire Revised Retirement System which would close the system and provide that newly hired police and fire members and police members currently in the defined contribution plan would have the option of participating in a MERS defined benefit plan, and

WHEREAS: The 2008 City Charter, Section 17.2 requires that the City Council "shall obtain a report as to the immediate and long term costs of the change from a qualified actuary of its choosing and may not take final action until at least three months after the report of the actuary is made public at a meeting of the Council," and

WHEREAS: The proposed amendment to the Police and Fire Revised Retirement System closes the system to new hires and provides that newly hired police and fire members and police members currently in the defined contribution plan would have the option of participating in a MERS defined benefit plan, the report of Gabriel, Roeder, Smith & Company, actuaries, is attached hereto and the retirement provisions and costs thereof are summarized as follows:

RETIREMENT PROVISION

Effective April 1, 2009 or as soon as administratively possible, the Police and Fire Revised Retirement System will be closed to new hires. Newly hired police and fire members and police members currently in the defined contribution plan will have the option of participating in a MERS defined benefit plan.

COSTS

Actuarial Statement

	Computed Contributions (as % of POLICE POAD Payroll)
Normal Cost	11.77%
Actuarial Accrued Liabilities (25 years)	1.77%
	13.54%
Valuation Payroll (1/2009)	$2,536,934
First Year $ Increase:	$ 298,598
Amortization of UAL (25 Years)	$ 44,904*

*paid by participant for prior service

	Change in Computed Contributions (as % of Fire Payroll)
Normal Cost	11.35%
Actuarial Accrued Liabilities (25 years)	N/A
Valuation Payroll (1/2009)	$45,919
First Year $ Increase:	$ 5,212
Amortization of UAL (10 years)	N/A

	Change in Computed Contributions Due to Closing Fire Revised Retirement System
Normal Cost	0.00%
Actuarial Accrued Liabilities (25 years)	3.64%
Valuation Payroll (1/2009)	$8,308,509
Cost:	$ 286,811
Amortization of UAL (25 years)	$1,193,057

therefore, be it

RESOLVED: That the City Council hereby acknowledges and records the cost projections of Gabriel, Roeder, Smith & Company, actuaries, attached hereto and related to the proposed amendment to the provision of the Police and Fire Revised Retirement System outlined hereinabove; be it further

RESOLVED: That final action upon the proposed ordinance amendment shall be deferred until the expiration of the three (3) month period identified by the 2008 City Charter, Section 17.2; be it further

RESOLVED: That this resolution be given immediate effect.

The resolution was adopted as follows: Yeas: Abraham, Darany, Hubbard, Tafelski and Thomas (5). Nays: None. Absent: Sareini and Shooshanian (2).

There being no further business, upon a motion duly made, seconded, and adopted, the Council then adjourned at 5:32 P.M.

APPROVED:

THOMAS P. TAFELSKI
President of the Council

ATTESTED:

KATHLEEN BUDA
City Clerk