

## CITY COUNCIL RESOLUTION

**WHEREAS**, in an effort to ensure the City of Memphis employee pension plan meets its obligations to current and future retirees, the administration has studied and presented several benefit changes to the Memphis City Council for consideration; if no changes are made to the current pension plan, our current unfunded liability will grow from \$531Million at the end of FY 2010 to an unfunded gap of \$3Billion in the year 2040; and

**WHEREAS**, whether the changes are adopted or not, the City of Memphis is responsible to the obligations of its pension system; and

**WHEREAS**, each year the City's actuaries determine the necessary contribution to the pension plan; by ordinance, the Council shall appropriate annually amounts necessary to make such payments - employee contributions are mandated to be 8% of salary for plan participants who are not police officers and firefighter and 6.25 or 6.5% for police officers and firefighters; the City contribution is to be a minimum of 5% covered payroll; and

**WHEREAS**, in recent years the City has fallen short of making its necessary contribution to the pension plan:  
The schedule of employer contributions (thousands of dollars) for the six years ended June 30, 2010 is as follows:

<b>Year Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage / \$ Amount Contributed</b>	<b>Difference</b>
2005	2,695	513.7% / \$13,884	\$ 11,189
2006	11,893	117.6 / \$13,986	\$ 2,093
2007	22,674	61.9 / \$14,035	\$- 8,639
2008	24,072	60.6 / \$14,587	\$- 9,485
2009	21,208	76.3 / \$16,181	\$- 5,027
2010	71,447	24.4 / \$17,433	\$-54,014

**NOW, THEREFORE BE IT RESOLVED**, by the Memphis City Council, that we are committed to meet the obligations to current and future retirees and under-funding the plan is unacceptable, and as such, that the actuarially determined necessary contribution to the City of Memphis Pension Plan shall be made each fiscal year and that if reasonable benefit modifications are not made to cover the shortfall, the Council resolves to commit the revenue to fund the necessary contribution to the pension plan shall be raised by any means available to the Council, including, but not limited to, budget cuts and increases of taxes and fees.

KEMP CONRAD  
Memphis City Council