

Board 5-14-14

Employee portion of “shared sacrifice” for the next five years is estimated at \$100 million. This comes from the following sources:

1. Employee contributions gradually increase from 7% to 10% of pay, utilizing the MSA formula.
2. Transfer all current and future chapter monies and accounts to reduce the City’s contribution (except funds required annually for the Peyton bonus).
3. All current employee benefits remain unchanged.
4. New Members COLA based on Social Security formula.
5. Establish share plan.
6. Review in five years.

Comment

This would result in an estimated \$100 million in City contribution reduction during the next five years. Most of this will be recognized immediately. The City contribution to be paid in December, 2014, would be reduced from \$153 million to approximately \$90 million.