

11-0-0674

(Do Not Write Above This Line)

AN ORDINANCE  
BY COUNCILMEMBER HOWARD  
SHOOK *Howard Shook*

AN ORDINANCE TO AMEND THE  
AMORTIZATION SCHEDULES OF  
THE GENERAL EMPLOYEES,  
POLICE OFFICERS, AND  
FIREFIGHTERS PENSION PLANS  
FROM A THIRTY YEAR OPEN  
AMORTIZATION PERIOD TO A  
THIRTY YEAR CLOSED  
AMORTIZATION PERIOD; AND  
FOR OTHER PURPOSES.  
ADOPTED BY

MAY 02 2011

COUNCIL

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1st ADOPT 2nd READ & REFER
- PERSONAL PAPER REFER

Date Referred \_\_\_\_\_  
 Referred To: *Finance/Exec*  
 Date Referred *04/18/2011*  
 Referred To: \_\_\_\_\_  
 Date Referred \_\_\_\_\_  
 Referred To: \_\_\_\_\_

First Reading  
 Committee \_\_\_\_\_  
 Date \_\_\_\_\_  
 Chair \_\_\_\_\_  
 Referred To \_\_\_\_\_

Committee *Finance/Exec*  
 Date \_\_\_\_\_  
 Chair *Shook*  
 Action  Fav, Adv, Hold (see rev. side)  
 Other \_\_\_\_\_

Members *[Signatures]*  
 Refer To \_\_\_\_\_

Committee \_\_\_\_\_  
 Date \_\_\_\_\_  
 Chair \_\_\_\_\_  
 Action \_\_\_\_\_  
 Fav, Adv, Hold (see rev. side) \_\_\_\_\_  
 Other \_\_\_\_\_

Members \_\_\_\_\_  
 Refer To \_\_\_\_\_

Second Reading  
 Committee \_\_\_\_\_  
 Date \_\_\_\_\_  
 Chair \_\_\_\_\_  
 Action \_\_\_\_\_  
 Fav, Adv, Hold (see rev. side) \_\_\_\_\_  
 Other \_\_\_\_\_

Members \_\_\_\_\_  
 Refer To \_\_\_\_\_

Committee \_\_\_\_\_  
 Date \_\_\_\_\_  
 Chair \_\_\_\_\_  
 Action \_\_\_\_\_  
 Fav, Adv, Hold (see rev. side) \_\_\_\_\_  
 Other \_\_\_\_\_

Members \_\_\_\_\_  
 Refer To \_\_\_\_\_

FINAL COUNCIL ACTION  
 2nd  1st & 2nd  3rd  
 Readings  
 Consent  V Vote  RC Vote

CERTIFIED  
 MAY 02 2011  
 ATLANTA CITY COUNCIL PRESIDENT  
*[Signature]*

CERTIFIED  
 MAY 02 2011  
*Ronald D. [Signature]*  
 MUNICIPAL CLERK

MAYOR'S ACTION

APPROVED  
 MAY 09 2011  
*[Signature]*  
 MAYOR



**AN ORDINANCE  
BY COUNCILMEMBER HOWARD SHOOK**

*Handwritten signature of Howard Shook*

**AN ORDINANCE TO AMEND THE AMORTIZATION SCHEDULES OF THE GENERAL EMPLOYEES, POLICE OFFICERS, AND FIREFIGHTERS PENSION PLANS FROM A THIRTY YEAR OPEN AMORTIZATION PERIOD TO A THIRTY YEAR CLOSED AMORTIZATION PERIOD; AND FOR OTHER PURPOSES.**

**WHEREAS**, the City of Atlanta (the "City") has been adversely affected by the national economic downturn; and

**WHEREAS**, the resulting financial strain requires the City to implement additional cost saving measures; and

**WHEREAS**, the City has obtained two independent actuarial studies on the fiscal impact of revising the amortization schedule for the unfunded accrued liability of the three pension funds; and

**WHEREAS**, these studies indicate that, although requiring future increases in annual required contributions by the City, a change from the 30 year open amortization schedule to a 30 year closed schedule would reduce the unfunded accrued liability of the three pension funds by \$2,500,000,000.

**WHEREAS**, the City, in accordance with its Home Rule Powers and within the guidelines of the Governmental Accounting Standards Board, is authorized and so desires to amend its amortization schedule in accordance with the state law minimum annual funding requirements for the unfunded accrued liability of its three pension funds.

**THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA HEREBY ORDAINS as follows:**

**Section 1:** That Part I, Chapter 6, Article II, Division 1, Section 6-37 of the Code of Ordinances of the City of Atlanta, Georgia, Georgia Laws 1927, p. 265, which currently reads:

- (m) (1) In addition to the funds derived from deductions from salaries and wages, as required by subsection (i) of this amendment, it shall be the duty of the governing authority of such cities to appropriate and pay into the pension fund each year an amount which shall be equal to the actuarially determined percentage of members' salary and wages necessary to pay the normal cost contribution of benefits earned by



members and to amortize the unfunded accrued liability of the pension fund on an open ended 30-year schedule commencing July 1, 2009, after deducting contributions required of officers and employees required by subsection (i) of this amendment.

For purposes of paying the required employer contributions provided above, the governing authority of such cities shall be authorized to levy ad valorem taxes payable to the pension fund sufficient to amortize the unfunded accrued liability under provisions of this amendment within an open end schedule of 30 years commencing July 1, 2009, and upon the determination by an independent actuarial valuation as provided in subsection (n) below that such unfunded accrued liability has been amortized, such authorization to levy such ad valorem taxes shall cease. Should said pension fund at any time be insufficient to meet and pay the pension due to such officers and employees, the governing authority shall appropriate from current funds amounts sufficient to make up the deficiency as it relates to the respective officers and employees and deposit same into said pension fund. Should such actuarial valuation as provided in subsection (n) below result in a determination that the total required employer contribution would be less than the contribution required of members by subsection (i) of this amendment, then the contributions required of members by subsection (i) of this amendment shall be reduced and the required employer contributions in this subsection shall be increased so that the member contributions required by subsection (i) will not be greater than the required employer contributions under this subsection.

- (2) Every three years and prior to submitting the annual fiscal budget for that third year, the Chief Financial Officer for the City of Atlanta shall review and prepare for the chair of the finance executive committee and the boards of trustees a report on the affect the amortization schedule has upon the actuarial accrued liability for the pension funds.

be amended to make the following deletions and insertions, such that Part I, Chapter 6, Article II, Division 1, Section 6-37 of the Code of Ordinances of the City of Atlanta, Georgia, Georgia Laws 1927, p. 265, shall read as follows:

- (m) (1) In addition to the funds derived from deductions from salaries and wages, as required by subsection (i) of this amendment, it shall be the duty of the governing authority of such cities to appropriate and pay into the pension fund each year an amount which shall be equal to the actuarially determined percentage of members' salary and wages necessary to pay the normal cost contribution of benefits earned by members and to amortize the unfunded accrued liability of the pension fund on a closed 30 year schedule commencing July 1, 2011,~~an open ended 30 year schedule commencing July 1, 2009~~ after deducting



contributions required of officers and employees required by subsection (i) of this amendment.

For purposes of paying the required employer contributions provided above, the governing authority of such cities shall be authorized to levy ad valorem taxes payable to the pension fund sufficient to amortize the unfunded accrued liability under provisions of this amendment within a closed schedule of thirty (30) years commencing July 1, ~~2009~~2011, and upon the determination by an independent actuarial valuation as provided in subsection (n) below that such unfunded accrued liability has been amortized, such authorization to levy such ad valorem taxes shall cease. Should said pension fund at any time be insufficient to meet and pay the pension due to such officers and employees, the governing authority shall appropriate from current funds amounts sufficient to make up the deficiency as it relates to the respective officers and employees and deposit same into said pension fund. Should such actuarial valuation as provided in subsection (n) below result in a determination that the total required employer contribution would be less than the contribution required of members by subsection (i) of this amendment, then the contributions required of members by subsection (i) of this amendment shall be reduced and the required employer contributions in this subsection shall be increased so that the member contributions required by subsection (i) will not be greater than the required employer contributions under this subsection.

- (2) Every three years and prior to submitting the annual fiscal budget for that third year, the Chief Financial Officer for the City of Atlanta shall review and prepare for the Chair of the Finance Executive Committee and the Boards of Trustees a report on the effect the amortization schedule has upon the actuarial accrued liability for the pension funds.

**Section 2:** That Part I, Chapter 6, Article III, Division 1, Section 6-222 of the Code of Ordinances of the City of Atlanta, Georgia, Georgia Laws 1927, p. 265, which currently reads:

- (m) (1) In addition to the funds derived from deductions from salaries and wages, as required by subsection (i) of this amendment, it shall be the duty of the governing authority of such cities to appropriate and pay into the pension fund each year an amount which shall be equal to the actuarially determined percentage of members' salary and wages necessary to pay the normal cost contribution of benefits earned by members and to amortize the unfunded accrued liability of the pension fund on an open ended 30-year schedule commencing July 1, 2009, after deducting contributions required of officers and employees required by subsection (i) of this amendment.



For purposes of paying the required employer contributions provided above, the governing authority of such cities shall be authorized to levy ad valorem taxes payable to the pension fund sufficient to amortize the unfunded accrued liability under provisions of this amendment within an open end schedule of 30 years commencing July 1, 2009, and upon the determination by an independent actuarial valuation as provided in subsection (n) below that such unfunded accrued liability has been amortized, such authorization to levy such ad valorem taxes shall cease. Should said pension fund at any time be insufficient to meet and pay the pension due to such officers and employees, the governing authority shall appropriate from current funds amounts sufficient to make up the deficiency as it relates to the respective officers and employees and deposit same into said pension fund. Should such actuarial valuation as provided in subsection (n) below result in a determination that the total required employer contribution would be less than the contribution required of members by subsection (i) of this amendment, then the contributions required of members by subsection (i) of this amendment shall be reduced and the required employer contributions in this subsection shall be increased so that the member contributions required by subsection (i) will not be greater than the required employer contributions under this subsection.

- (2) Every three years and prior to submitting the annual fiscal budget for that third year, the Chief Financial Officer for the City of Atlanta shall review and prepare for the chair of the finance executive committee and the boards of trustees a report on the affect the amortization schedule has upon the actuarial accrued liability for the pension funds.

be amended to make the following deletions and insertions, such that That Part I, Chapter 6, Article III, Division 1, Section 6-222 of the Code of Ordinances of the City of Atlanta, Georgia, Georgia Laws 1927, p. 265, shall read as follows:

- (m) (1) In addition to the funds derived from deductions from salaries and wages, as required by subsection (i) of this amendment, it shall be the duty of the governing authority of such cities to appropriate and pay into the pension fund each year an amount which shall be equal to the actuarially determined percentage of members' salary and wages necessary to pay the normal cost contribution of benefits earned by members and to amortize the unfunded accrued liability of the pension fund on a closed 30 year schedule commencing July 1, 2011,~~an open ended 30 year schedule commencing July 1, 2009~~ after deducting contributions required of officers and employees required by subsection (i) of this amendment.

For purposes of paying the required employer contributions provided above, the governing authority of such cities shall be authorized to levy ad valorem taxes payable to the pension fund sufficient to amortize the



unfunded accrued liability under provisions of this amendment within a closed schedule of thirty (30) years commencing July 1, ~~2009~~2011, and upon the determination by an independent actuarial valuation as provided in subsection (n) below that such unfunded accrued liability has been amortized, such authorization to levy such ad valorem taxes shall cease. Should said pension fund at any time be insufficient to meet and pay the pension due to such officers and employees, the governing authority shall appropriate from current funds amounts sufficient to make up the deficiency as it relates to the respective officers and employees and deposit same into said pension fund. Should such actuarial valuation as provided in subsection (n) below result in a determination that the total required employer contribution would be less than the contribution required of members by subsection (i) of this amendment, then the contributions required of members by subsection (i) of this amendment shall be reduced and the required employer contributions in this subsection shall be increased so that the member contributions required by subsection (i) will not be greater than the required employer contributions under this subsection.

- (2) Every three years and prior to submitting the annual fiscal budget for that third year, the Chief Financial Officer for the City of Atlanta shall review and prepare for the Chair of the Finance Executive Committee and the Boards of Trustees a report on the effect the amortization schedule has upon the actuarial accrued liability for the pension funds.

**Section 3:** That Part I, Chapter 6, Article IV, Division 1, Section 6-367 of the Code of Ordinances of the City of Atlanta, Georgia, Georgia Laws 1927, p. 265, which currently reads:

- (m) (1) In addition to the funds derived from deductions from salaries and wages, as required by subsection (i) of this amendment, it shall be the duty of the governing authority of such cities to appropriate and pay into the pension fund each year an amount which shall be equal to the actuarially determined percentage of members' salary and wages necessary to pay the normal cost contribution of benefits earned by members and to amortize the unfunded accrued liability of the pension fund on an open ended 30-year schedule commencing July 1, 2009, after deducting contributions required of officers and employees required by subsection (i) of this amendment.

For purposes of paying the required employer contributions provided above, the governing authority of such cities shall be authorized to levy ad valorem taxes payable to the pension fund sufficient to amortize the unfunded accrued liability under provisions of this amendment within an open end schedule of 30 years commencing July 1, 2009, and upon the determination by an independent actuarial valuation as provided in



subsection (n) below that such unfunded accrued liability has been amortized, such authorization to levy such ad valorem taxes shall cease. Should said pension fund at any time be insufficient to meet and pay the pension due to such officers and employees, the governing authority shall appropriate from current funds amounts sufficient to make up the deficiency as it relates to the respective officers and employees and deposit same into said pension fund. Should such actuarial valuation as provided in subsection (n) below result in a determination that the total required employer contribution would be less than the contribution required of members by subsection (i) of this amendment, then the contributions required of members by subsection (i) of this amendment shall be reduced and the required employer contributions in this subsection shall be increased so that the member contributions required by subsection (i) will not be greater than the required employer contributions under this subsection.

- (2) Every three years and prior to submitting the annual fiscal budget for that third year, the Chief Financial Officer for the City of Atlanta shall review and prepare for the chair of the finance executive committee and the boards of trustees a report on the affect the amortization schedule has upon the actuarial accrued liability for the pension funds.

be amended to make the following deletions and insertions, such that That Part I, Chapter 6, Article IV, Division 1, Section 6-222 of the Code of Ordinances of the City of Atlanta, Georgia, Georgia Laws 1927, p. 265, shall read as follows:

- (m) (1) In addition to the funds derived from deductions from salaries and wages, as required by subsection (i) of this amendment, it shall be the duty of the governing authority of such cities to appropriate and pay into the pension fund each year an amount which shall be equal to the actuarially determined percentage of members' salary and wages necessary to pay the normal cost contribution of benefits earned by members and to amortize the unfunded accrued liability of the pension fund on a closed 30 year schedule commencing July 1, 2011,~~an open ended 30 year schedule commencing July 1, 2009~~ after deducting contributions required of officers and employees required by subsection (i) of this amendment.

For purposes of paying the required employer contributions provided above, the governing authority of such cities shall be authorized to levy ad valorem taxes payable to the pension fund sufficient to amortize the unfunded accrued liability under provisions of this amendment within a closed schedule of thirty (30) years commencing July 1, ~~2009~~2011, and upon the determination by an independent actuarial valuation as provided in subsection (n) below that such unfunded accrued liability has been amortized, such authorization to levy such ad valorem taxes shall cease. Should said pension fund at any time be insufficient to meet

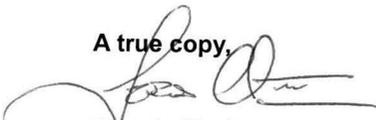


and pay the pension due to such officers and employees, the governing authority shall appropriate from current funds amounts sufficient to make up the deficiency as it relates to the respective officers and employees and deposit same into said pension fund. Should such actuarial valuation as provided in subsection (n) below result in a determination that the total required employer contribution would be less than the contribution required of members by subsection (i) of this amendment, then the contributions required of members by subsection (i) of this amendment shall be reduced and the required employer contributions in this subsection shall be increased so that the member contributions required by subsection (i) will not be greater than the required employer contributions under this subsection.

- (2) Every three years and prior to submitting the annual fiscal budget for that third year, the Chief Financial Officer for the City of Atlanta shall review and prepare for the Chair of the Finance Executive Committee and the Boards of Trustees a report on the effect the amortization schedule has upon the actuarial accrued liability for the pension funds.

**Section 4:** That all ordinances or parts of ordinances in conflict with this ordinance are hereby repealed.

A true copy,



Deputy Clerk

ADOPTED by the Atlanta City Council  
APPROVED by Mayor Kasim Reed

MAY 02, 2011  
MAY 09, 2011

RCS# 1000  
5/02/11  
3:06 PM

Atlanta City Council

REGULAR SESSION

11-O-0674

AMEND AMORTIZATION SCHEDULES OF PENSION  
PLANS  
ADOPT

YEAS: 15  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 1  
EXCUSED: 0  
ABSENT 0

Y Smith	Y Archibong	Y Moore	Y Bond
Y Hall	Y Wan	Y Martin	Y Watson
Y Young	Y Shook	Y Bottoms	Y Willis
Y Winslow	Y Adrean	Y Sheperd	NV Mitchell

11-O-0674