

11-0-0951

(Do Not Write Above This Line)

AN ORDINANCE  
BY FINANCE/EXECUTIVE COMMITTEE

AN ORDINANCE TO ENACT THE 2011 AMENDMENT TO THE FIREFIGHTERS PENSION FUND ACT ( 1924 GA. LAWS, PAGE 167, PARTICULARLY AS AMENDED BY THE 1978 PENSION ACT (1978 GA. LAWS, PAGE 4508) SO AS TO CREATE SECTION 6-367.1 OF THE RELATED LAWS SECTION OF VOLUME I CONTAINING THE CHARTER AND CODE OF ORDINANCES OF THE CITY OF ATLANTA, GEORGIA, WHICH AMENDMENT SHALL: 1) TO EXEMPT PERMANENT, FULL-TIME, ACTIVE OFFICERS AND EMPLOYEES HIRED BEFORE JANUARY 1, 1984 FROM PROVISIONS OF THIS AMENDMENT; 2) PROVIDE FOR A TEMPORARY ADJUSTMENT TO THE EMPLOYEE CONTRIBUTION; 3) CREATE NEW PENSION BENEFITS AND OBLIGATIONS WITH RESPECT TO THE DEFINED BENEFIT PLAN FOR ELIGIBLE EMPLOYEES HIRED ON OR AFTER NOVEMBER 1, 2011; AND 4) TO AFFORD CURRENT PARTICIPANTS IN THE CITY'S DEFINED CONTRIBUTION PLAN THE RIGHT TO BEGIN PARTICIPATION FOR FUTURE SERVICE IN THE CITY'S DEFINED BENEFIT PLAN; TO WAIVE CONFLICTING LAWS, ORDINANCES AND CODE SECTIONS; AND FOR OTHER PURPOSES.

Tabled By - To Appear on  
Roll Call Vote 6/23/2011  
06/20/2011 Special Call Mtg  
Agenda

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

Date Referred 06/23/11

Referred To: Finance Exec

Date Referred

Referred To:

Date Referred

Referred To:

First Reading

Committee Finance/Executive  
Date 6-15-11  
Chair [Signature]  
Referred To Finance/Executive

Committee Finance/Executive  
Date 6/29/11  
Chair [Signature]  
Action Fav, Adv, Hold (see rev. side)  
Other Filed  
Members [Signature]  
[Signature]  
[Signature]  
Refer To

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

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

CERTIFIED

JUL 05 2011

ATLANTA CITY COUNCIL PRESIDENT

[Signature]

CERTIFIED

JUL 05 2011

Renee Dauscher Johnson  
MUNICIPAL CLERK

MAYOR'S ACTION

AN ORDINANCE

BY FINANCE/EXECUTIVE COMMITTEE

11-0-0951

AN ORDINANCE TO ENACT THE 2011 AMENDMENT TO THE FIREFIGHTERS PENSION FUND ACT ( 1924 GA. LAWS, PAGE 167, PARTICULARLY AS AMENDED BY THE 1978 PENSION ACT (1978 GA. LAWS, PAGE 4508) SO AS TO CREATE SECTION 6-367.1 OF THE RELATED LAWS SECTION OF VOLUME I CONTAINING THE CHARTER AND CODE OF ORDINANCES OF THE CITY OF ATLANTA, GEORGIA, WHICH AMENDMENT SHALL: 1) TO EXEMPT PERMANENT, FULL-TIME, ACTIVE OFFICERS AND EMPLOYEES HIRED BEFORE JANUARY 1, 1984 FROM PROVISIONS OF THIS AMENDMENT; 2) PROVIDE FOR A TEMPORARY ADJUSTMENT TO THE EMPLOYEE CONTRIBUTION; 3) CREATE NEW PENSION BENEFITS AND OBLIGATIONS WITH RESPECT TO THE DEFINED BENEFIT PLAN FOR ELIGIBLE EMPLOYEES HIRED ON OR AFTER NOVEMBER 1, 2011; AND 4) TO AFFORD CURRENT PARTICIPANTS IN THE CITY'S DEFINED CONTRIBUTION PLAN THE RIGHT TO BEGIN PARTICIPATION FOR FUTURE SERVICE IN THE CITY'S DEFINED BENEFIT PLAN; TO WAIVE CONFLICTING LAWS, ORDINANCES AND CODE SECTIONS; AND FOR OTHER PURPOSES.

**WHEREAS**, city employees have expressed their concern and desire that the city's Firefighters defined benefit pension plan be maintained; and

**WHEREAS**, in order to maintain the city's Firefighters defined benefit pension plan, city employees have been made aware that an adjustment in the allocation of costs is necessary, resulting in an increase in the employee contribution; and

**WHEREAS**, such an adjustment would serve as an inducement for the city to continue to maintain its Firefighters defined benefit pension plan.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, as follows:**

**Section 1:** Permanent, full-time, active officers and employees hired before January 1, 1984, shall be exempt from and shall not be subject to the provisions of this amendment.

**Section 2:** The Firefighters Pension Fund Act ( 1924 Ga. Laws, page 167, particularly as amended by the 1978 Pension Act (1978 Ga. Laws, page 4508) is hereby amended as follows and shall be codified at Section 6-367.1 of the Related Laws Section of Volume I containing the Charter and Code of Ordinances of the City of Atlanta, Georgia:

**Sec.6-367.1 2011 Amendment to the 1978 pension act.**

(a) Subsection (i) of Sec. 6-367 which currently provides :

**(i) There shall be deducted from the total salary of any officer or employee electing to come under this amendment the sum of seven percent (7%), in the event such person does not provide for payment of a pension to such person's beneficiary, as authorized by this act, as amended, or a sum to be actuarially determined pursuant to the most recent actuary study, sufficient to cover the cost of providing a continuing pension benefit to such person's beneficiary. Like deductions shall be made from the salary of future employees required to come under this amendment.**

**Is hereby deleted in its entirety, with the following being substituted in lieu thereof:**

**(1) As consideration for the continuation of this Firefighters Defined Benefit Pension Plan, the employee contribution shall be adjusted such that there shall be deducted from the total salary of any officer or employee who is a member of this defined benefit pension plan, the sum of twelve percent (12%), in the event such person does not provide for payment of a pension to such person's beneficiary, as authorized by this Act, as amended, or the sum of thirteen percent (13%) in the event such person does provide for the continuance of a pension to such person's qualified beneficiary, which adjustment constitutes an approximate effective increased employee contribution rate of 3.5% in pretax dollars.**

**(2) One half of the funds generated by the adjustment in the employee contribution, shall be paid annually to the General Employees Defined**

**Benefit Pension Fund, the Police Officers Defined Benefit Pension Fund and the Firefighters Defined Benefit Pension Fund for the purpose of reducing the unfunded accrued liability applicable to each fund. The other half of said funds shall be used to reduce the amount of the city's annual pension contribution.**

**(3) As the unfunded accrued liability decreases in the aggregate as provided below for the General Employees Defined Benefit Pension Plan, the Police Officers Defined Benefit Pension Plan and the Firefighters Defined Benefit Pension Plan as a result of the adjusted employee contribution provided for herein, the adjusted required employee contribution shall be decreased as follows:**

**(i) When the funding level of all three pension funds, in the aggregate, reach 75% of full funding as certified by the actuary(s) of the respective pension funds, the required employee contribution shall be reduced by 2%.**

**(ii) When the funding level of all three pension funds, in the aggregate, reach 80% of full funding as certified by the actuary(s) of the respective pension funds, the required employee contribution shall be reduced by 2%.**

**(iii) When the funding level of all three pension funds, in the aggregate, reach 90% of full funding as certified by the actuary(s) of the respective pension funds, the required employee contribution shall be reduced by 1%.**

**(iv) Should the funding level of all three pension funds, in the aggregate, decrease thereafter, the city council will consider legislation intended to increase the employee contribution in the percentages necessary to return the funding level of all three pension funds, in the aggregate, to an acceptable funding level as determined and certified by the actuary(s) of the respective pension funds, provided however, that such an increase in the employee contribution percentages shall not exceed the twelve (12%) and thirteen (13%) percent increases as set forth in subparagraph (1), above.**

**(b) Permanent, full-time, active officers and employees hired on or after November 1, 2011 at pay grade 18 and below.**

**(1) Officers and employees who are permanent, full-time and active, hired on or after November 1, 2011 at pay grade 18 and below and eligible to participate in this pension plan, shall be required to be subject to the terms and conditions of this amendment and thus, shall become members of and participants in, this amended Firefighters Defined Benefit Pension Plan.**

**(2) There shall be deducted from the total salary of any officer or employee who is a member of this defined benefit pension plan, the sum of twelve percent (12%), in the event such person does not provide for payment of a pension to such person's beneficiary, as authorized by this Act, as amended, or the sum of thirteen percent (13%) in the event such person does provide for the continuance of a pension to such person's qualified beneficiary, which adjustment constitutes an approximate effective increased employee contribution rate of 3.5% in pretax dollars.**

**(3) All such officers and employees may, as a matter of right, retire from active service and receive a monthly pension benefit hereinafter set forth and referred to hereinafter as a "normal monthly pension benefit," provided such person shall have served 15 years in the active service of such city and shall have attained the age of 55 years prior to commencement of such benefit. Upon such officer or employee retiring as a matter of right, such person shall be paid thereafter a normal monthly pension benefit equal to two percent (2%) of such person's average monthly earnings multiplied by the number of such person's years, or fraction thereof, of creditable service and that normal pension benefit shall not exceed \$100,000.00 in the first year nor more than 80% percent of such person's average monthly earnings. This \$100,000 limit on annual benefits shall be adjusted based upon the CPI (Consumer Price Index) whenever a comprehensive review of the Firefighters' Pension Fund audit occurs, but in no event more frequently than 5 years, and in no event shall the \$100,000 limit be decreased. Average monthly earnings shall be the average of the monthly earnings of the highest five (5) years' salary or earnings during the term of employment. In computing the average monthly earnings, if the officer or employee shall have received a lump sum payment for compensation, accumulated vacation, sick leave bonus pay, or similar benefits, the amounts of such payments shall not be included in the pension benefit calculation.**

**(4) Any officer or employee who is a member of the Firefighters Defined Benefit Pension Plan and whose creditable service equals at**

**least 30 years, shall be entitled to a monthly pension benefit upon retirement without any reduction for any age or vesting penalties as would otherwise be applicable.**

**(b) Officers and employees who are permanent, full-time and active, hired on or after November 1, 2011 at pay grade 19 and above, shall have the option of participating in the Firefighters Defined Benefit Pension Plan or in the current existing Defined Contribution Plan as Amended and Restated by Ordinance # 05-O-2271, adopted November 21, 2005 and approved November 22, 2005.**

**(c) Officers and employees who are permanent, full-time and active, hired on or after November 1, 2011 at pay grade 19 and above, shall have the option of participating in the Firefighters Defined Benefit Pension Plan or in the current existing Defined Contribution Plan as Amended and Restated by Ordinance #05-O-2271, adopted November 21, 2005 and approved November 22, 2005.**

**(d) On the effective date of this legislation, a participant in the City of Atlanta Defined Contribution Plan who is a permanent, full-time employee of the City of Atlanta may make a one-time election at any time before the close of business on October 15, 2011, to discontinue future participation in the Defined Contribution Plan and to begin participation in the Firefighters Defined Benefit Pension Plan. All required contributions will continue into such a participant's Defined Contribution 401(a) retirement account until close of business on October 31, 2011 at which time all such contributions shall cease. The funds accumulated in such participant's 401(a) retirement account as of close of business on October 31, 2011 will remain in that account unless withdrawn by the participant in accordance with the appropriate Defined Contribution Plan and/or IRS regulations. Beginning on November 1, 2011, a participant who has made an election as described herein shall become a participant in the amended Firefighters Defined Benefit Pension Plan and shall begin contributing to the Firefighters Defined Benefit Pension Fund as described in paragraph (i)(3) of this Code section. A participant making such an election shall begin participation in the Firefighters Defined Benefit Plan without credit for any prior years of service with the City toward vesting in a future pension benefit and shall not be eligible to receive credit for creditable service with the City prior to**

November 1, 2011 through the procedure set forth in Section 6-367(j) of this Code section.

(e) Any person coming under the provisions of this amendment, either voluntarily or by compulsion, shall be entitled to cost-of-living adjustments as hereinafter set forth. As used herein, the following terms shall have the following meaning:

(1) *Current average cost-of-living index.* The average of the monthly Consumer Price Index for the 12 month period from November 1 through October 31, prior to the annual adjustment date, as determined by the Bureau of Labor Statistics of the United States Department of Labor for all items and major groups, United States city average.

(2) *Pensioner base index.* The average of the Consumer Price Index for the 12 month period ending two (2) months prior to the date of retirement for any Participant who retires under the provisions of this amendment. In the event the base year used in computing the monthly Consumer Price Index should be changed by the Bureau of Labor Statistics, the board of trustees shall, with the advice of an independent actuary, adjust the pensioner base index of each retired pensioner and of each pensioner or beneficiary, with benefit payments commencing during the first year in which such change was made, so as to effect the original intent of this section in an equitable manner.

(3) *Adjusted pensioner index.* The pensioner base index, adjusted, on a cumulative basis, for all percentage adjustments made in benefits prior to the current annual adjustment date. The adjusted pensioner index and the pensioner base index shall be applicable to any beneficiary becoming entitled to benefits under this amendment in the same manner as they would have been applicable to the pensioner had such pensioner continued in life.

(4) *Annual adjustment date.* January 1 of each year.

The board of trustees shall ascertain the current average cost-of-living index as of January 1 each year, and the benefits being paid under this amendment shall be adjusted as of the annual adjustment date as follows: If the current average cost-of-living index is more than 100 percent of the adjusted pensioner index, the benefit shall be increased by a percentage equal to the difference between 100 percent and the

percentage representing the current average cost-of-living index divided by such person's adjusted pensioner index. If the current average cost-of-living index is less than 100 percent of the adjusted pensioner index, such person's basic benefit shall be reduced by a percentage equal to the difference between 100 percent and the percentage representing the current average cost-of-living index divided by his adjusted pensioner index.

Notwithstanding the foregoing provisions of this subsection, no increase or decrease in the amount of the monthly retirement benefit due to changes in the current average cost-of-living index, effective at any annual adjustment date, shall be in excess of one percent (1%) of the amount of the monthly retirement benefit payable immediately prior to such date. Neither shall the provisions of this subsection be applied so as to reduce the amount of the benefits of a pensioner or beneficiary to an amount less than that to which such pensioner or beneficiary would be entitled to receive under the other provisions of this amendment.

(f) All other provisions, terms and conditions applicable to the obligations and benefits as set forth in the Firefighters Pension Fund Act ( 1924 Ga. Laws, page 167, particularly as amended by the 1978 Pension Act (1978 Ga. Laws, page 4508), and as has been further amended, shall remain in full force and effect.

**Section 3:** All laws, ordinances and code provisions in conflict herewith, are hereby waived to the extent of any such conflict.

RCS# 1268  
7/05/11  
3:09 PM

Atlanta City Council

REGULAR SESSION

MULTIPLE 11-O-0950,11-O-0951,11-O-0952,11-O-0993

FILE

YEAS: 14  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 1  
EXCUSED: 0  
ABSENT 1

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	B Adrean	Y Sheperd	NV Mitchell

MULTIPLE

RCS# 1165  
6/23/11  
11:33 AM

Atlanta City Council

REGULAR SESSION

MULTIPLE

11-O-0950, 11-O-0951, 11-O-0952

REFER/FINANCE

YEAS: 13  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 2  
EXCUSED: 0  
ABSENT 1

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

MULTIPLE

RCS# 1164  
6/23/11  
11:29 AM

Atlanta City Council

REGULAR SESSION

MULTIPLE

11-O-0950, 11-O-0951, 11-O-0952

REMOVE FR. TABLE

YEAS: 11  
NAYS: 1  
ABSTENTIONS: 0  
NOT VOTING: 3  
EXCUSED: 0  
ABSENT 1

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

MULTIPLE

RCS# 1163  
6/23/11  
11:26 AM

Atlanta City Council

REGULAR SESSION

MULTIPLE 11-O-0672, 11-O-0950, 11-O-0951, 11-O-0952

TABLE

YEAS: 12  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 3  
EXCUSED: 0  
ABSENT 1

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

MULTIPLE

RCS# 1162  
6/23/11  
11:24 AM

Atlanta City Council

REGULAR SESSION

PROCEDURE

RETURN TO REGULAR SESSION

YEAS: 12  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 3  
EXCUSED: 0  
ABSENT 1

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

PROCEDURE

RCS# 1161  
6/23/11  
10:34 AM

Atlanta City Council

REGULAR SESSION

PROCEDURE

ENTER COMMITTEE AS A WHOLE

YEAS: 10  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 5  
EXCUSED: 0  
ABSENT 1

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

PROCEDURE

RCS# 1160  
6/23/11  
10:33 AM

Atlanta City Council

REGULAR SESSION

MULTIPLE 11-O-0672, 11-O-0950, 11-O-0951, 11-O-0952

REMOVE FR TABLE

YEAS: 9  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 5  
EXCUSED: 0  
ABSENT 2

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

MULTIPLE

RCS# 1121  
6/20/11  
4:46 PM

Atlanta City Council

REGULAR SESSION

MULTIPLE

11-O-0950, 11-O-0951, 11-O-0952

TABLE SP.MTG

YEAS: 11  
NAYS: 2  
ABSTENTIONS: 0  
NOT VOTING: 2  
EXCUSED: 0  
ABSENT 1

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

MULTIPLE