



## STAFF REPORT

DATE: October 10, 2017

ITEM #:

**TO:** City Council

**FROM:** Steve Rutkowski, Relief Association President

**AGENDA ITEM:** Discussion on raising the Relief Association Annual Benefit

**REVIEWED BY:** Relief Association Board

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### **BACKGROUND:**

The Lake Elmo Relief Association has not had a Pension increase for over 10yrs. Tautges has provided the projections for the Relief Association and Hilde has provided the 2017 Auxuarial Report for both the Relif Association and City of Lake Elmo.

### **ISSUE BEFORE COUNCIL:**

Review the recommendation of the Relief Association Board to increase the annual retirement benefit and determine if the proposed increase can be supported by the fund based on the provided documentation.

### **PROPOSAL DETAILS/ANALYSIS:**

We are currently invested at 151.11% with a Pension rate of \$3,400. The Relief Association would like to increase to \$5,000 which the Pension Fund would be vested at 115%. Which is 10% higher than the State Standards of 105%.

### **FISCAL IMPACT:**

Based on the projections of Tautges there will not be a Fiscal impact to the City of Lake Elmo unless the Funds are below 105%, (as required by Sate Statue) which has not happened in over 10 years.

### **OPTIONS:**

- 1) Support the recommendations of the Releif Association Board for the benefit increase.
- 2) Do not support the recommendations of the Releif Association Board for the benefit increase.

### **RECOMMENDATION:**

Recommendaton of the Relief Association Board is to move this forward to Council for approval.

### **ATTACHMENTS:**

- The SC-17 Form which is a report that the audit provides for that the Relief Association Funds can be maximized to which shows \$8,000.
- The Active member form shows active members and in red what different dollar amounts and the effects of funding percentages.
- The calculation form shows today's funding percentage which is at 151.11%.