

Reply to Common Council File No. 041513

From DOA-Budget and Management Division

March 7, 2005

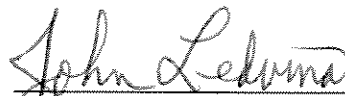
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Common Council File 041513 contains a charter ordinance relating to administrative support of supplemental payments to members of the firemen's annuity and benefit fund.

The change in charter ordinance would allow the Employees' Retirement System to take over from the Budget Office customer service work related to supplemental payments to annuitants of the former Firemen's Annuity and Benefit Fund. The 2005 budget includes a \$400,000 supplemental payment to be distributed to 159 annuitants (as of December 31, 2004).

In the past, the city has used the services of Principal Life Insurance to make the disbursement of the supplemental payment and the Budget Office has provided the outreach and customer service to annuitants. The cost (\$12,900 in 2004) to provide the supplement to these members was taken from the supplement's appropriation. This charter ordinance would allow ERS to handle the outreach and customer service aspects of the payment process utilizing ERS expertise in this area. The city would compensate ERS from the supplement for these services and disburse checks to annuitants using the city's accounts payable system. The objective is to provide the most effective customer service to annuitants and beneficiaries and minimize costs deducted from the supplemental payment amount.

RECOMMENDATION: APPROVE THE CHARTER ORDINANCE RELATING TO ADMINISTRATIVE SUPPORT OF SUPPLEMENTAL PAYMENTS TO MEMBERS OF THE FIREMEN'S ANNUITY AND BENEFIT FUND.



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