

RESOLUTION TO INCREASE MINIMUM
MONTHLY BENEFITS FOR RETIREES AND BENEFICIARIES OF
DISABILITY AND RELIEF FUND FOR POLICEMEN AND FIREMEN

WHEREAS, a beneficiary of the Vicksburg Police & Fire Disability Fund has requested that the Mississippi Legislature enact local and private legislation to provide an increase in the minimum monthly benefits to the retirees or other beneficiaries of the Vicksburg Police and Fire Disability and Relief Fund; and

WHEREAS, in 2007, the Mississippi Legislature, in regular session passed House Bill 422 which increased the monthly minimum to \$1,415 and there has not been an increase since that time; and

WHEREAS, based on the actuary study dated December 19, 2016 and attached hereto, and keeping within the current statutory millage increase, the City of Vicksburg could afford to increase the minimum monthly benefit by \$100 which would be \$1,514.00; and

WHEREAS, the City of Vicksburg shall transfer sufficient funds to fund such monthly minimum increase; and

WHEREAS, the City of Vicksburg, on behalf of the retirees and beneficiaries of the Vicksburg Police and Fire Disability and Relief Fund, requests the Board of Trustees of the public Employees Retirement System of the State of Mississippi to increase the minimum monthly benefit to the retirees or other beneficiaries to \$1,515.00 per month effective October 1, 2017 until revoked.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF VICKSBURG that the City of Vicksburg shall transfer sufficient funds to fund the monthly minimum increase to be \$1,515.00 per month for the retirees and other beneficiaries under the Vicksburg Police and Fire Disability and Relief fund; and

BE IT FURTHER RESOLVED that the City of Vicksburg, on behalf of the retirees and other beneficiaries of the Vicksburg Police and Fire Disability and Relief fund, hereby requests the Public Employees' Retirement System to pay the minimum monthly increase as set forth herein effective October 1, 2017; and

BE IT FURTHER RESOLVED that the City of Vicksburg, on behalf of the retirees and other beneficiaries of the Vicksburg Police and Fire Disability and Relief fund, hereby requests

the Public Employees' Retirement System to pay any additional annual payments as authorized

by law.

This the 21st day of February, 2017.

The Mayor and Aldermen of the
City of Vicksburg, MS

George Flaggs, Jr., Mayor

Michael A. Mayfield, Sr., Alderman

Willis T. Thompson, Alderman



Cavanaugh Macdonald

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December 19, 2016

Ms. Pat Robertson
Executive Director
Public Employees' Retirement System
of Mississippi
429 Mississippi Street
Jackson, MS 39201-1005

Dear Pat:

As requested, we have calculated the financial impact of an increase in the minimum monthly benefit amount for the City of Vicksburg's members covered under the Municipal Retirement System (MRS). The current minimum monthly benefit is \$1,415 and was last increased in 2007 by House Bill 422. Previously, we were asked to analyze increases to this minimum of \$200, \$500, \$750 and \$1,000 for all retirees effective July 1, 2017. These results were provided in a letter dated December 12, 2016. Subsequently, we were asked to analyze increases of \$50, \$100, and \$150 under similar parameters.

The results shown below are based on the June 30, 2016 valuation of MRS and all of the actuarial assumptions included in the valuation, including the 6.5% investment return used in the determination of certified millage rates. The millage rate in the current fiscal year ending September 30, 2017 is 2.53 mills, while the certified rate from the 2016 valuation for the fiscal year ending September 30, 2018 is 2.83 mills.

Increase to Current Minimum of \$1,415 per month	New Minimum per month	Increase in Total Liability	Ultimate Increase in Certified Millage Rate	New Ultimate Certified Millage Rate
\$50	\$1,465	\$269,637	0.10	2.93
\$100	\$1,515	\$551,312	0.18	3.01
\$150	\$1,565	\$851,261	0.28	3.11

According to Mississippi statute, the City of Vicksburg can only increase their millage rate to MRS by ½ mill each fiscal year. Since the current millage rate is 2.53 mills, the City can only increase the millage rate to 3.03 mills for the fiscal year ending September 30, 2018. For the last scenario shown above, Vicksburg would then have to increase its millage rate beyond the 2018 fiscal year to the Ultimate Millage Rate, remembering the City can only increase the millage rate ½ mill each fiscal year. However, Vicksburg could immediately increase to the new certified millage rates associated with increases to the minimum benefit of \$50 or \$100.

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December 19, 2016
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If we can provide any further details regarding these calculations, please do not hesitate to contact us.

Sincerely,

Edward J. Koebel, FCA, EA, MAAA
Principal and Consulting Actuary

EJK:kc

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CERTIFICATE

I, Walter W. Osborne, Jr., the duly appointed, qualified and acting City Clerk and lawful custodian of the Minutes of The Mayor and Aldermen of the City of Vicksburg and Seal of said City, Certify that the foregoing is a true and exact copy of a Resolution Adopted by the Mayor and Aldermen of the City of Vicksburg at a Regular Board Meeting held on Tuesday, February 21, 2017.

WITNESS my signature and official seal of office this 21st day of February, 2017.

Walter W. Osborne, Jr., City Clerk