

City	GVT Form	Population 7/1/2009	Area (sq mile)	FY 2011 General Fund Budget (000s)	General Fund Revenue Sources (amounts in 000s)	Property Tax Rate (per \$100) (General Fund)	Sales Tax Rate	Moody's	Enterprise Departments Operated	Municipal Employees	Collective Bargaining
Phoenix, AZ	CM	1,593,659	519.6	\$1,014,000	Local sales tax = \$370,000 (41%), State shared revenues = \$310,000 (32%), Property tax = \$131,000 (14%) and other fines, fees and revenues = \$127,000 (13%)	\$0.88	2.00%	Aa1	Aviation, Solid Waste, Water, Wastewater, Convention Center and Golf	14,610 #	MOU - PLEA, IAFF, AFSCME Local 2384, AFSCME Local 2960, LIUNA Local 777 Meet & Discuss - PPSLA, ASPTEA and Confidential Office & Clerical
Austin, TX	CM	786,386	301.86	650,000*	Property tax = \$248,000 (38%), Sales tax = \$148,000 (23%), Utility Transfer = \$136,000 (21%) and other fines, fees and revenues = \$119,000 (18%)	\$0.32	1.00%	Aaa	Aviation, Water, Conv Center, Solid Waste, Energy, Transit, Sewer	11,926	Police and Fire
Charlotte, NC	CM	704,422	299	\$446,000	Property tax = \$287,000 (64%), Sales tax = \$64,000 (14%), Utility Franchise = \$36,000 (8%) and other fines, fees and revenues = \$58,000 (13%)	\$0.38	2.00%	Aaa	Water, Sewer, Transit, Aviation, Storm Water	6,809	Prohibited by Law currently
Dallas, TX	CM	1,299,542	384.7	\$1,066,000	Property tax = \$436,000 (41%), Sales tax = \$205,000 (19%), Utility Franchise = \$97,000 (9%) and other fines, fees and revenues = \$227,000 (21%)	\$0.53	1.00%	AA3	Aviation, Water, Conv Center, Solid Waste, Energy, Transit, Sewer	13,528	None
Kansas City, MO	CM	482,299	318	\$511,000	Earning Tax = \$189,000 (24%), Utility Tax = \$94,000 (18%) Property tax = \$72,000 (14%), Use tax = \$20,000 (4%), Gaming Revenue = \$ 18,000 (3.5%) and other fines, fees and revenues = \$ 118,000 (23%)	\$0.67	2.38%	Aa2	Water, Sewer, Storm Water, Aviation	7,069	IAFF (Local 42), IAFF (Local 3808), Fraternal Order of Police (Lodge 99)
Las Vegas, NV	CM	567,641	133.2	\$485,000	State Shared Revenue = \$202,000 (42%), Property tax = \$92,000 (19%), Franchise Fees = \$60,000 (12%) and other fines, fees and revenues = \$131,000 (27%)	\$0.68	0.00%	Aaa	Sanitation, Building Safety, Golf, Municipal Parking	2,952	Police (LVPPA), Peace Officers (LVPOA), Service Emp Assoc (SEIU), Fire (IAFF) and City Emp Assoc (CEA)
Long Beach, CA	CM	462,604	52	\$384,000	Property tax = \$75,000 (18%), Revenue from State and Local gov't = \$59,000 (15%), Sales tax = \$52,000 (14%), Utility User Tax = \$42,000 (11%) and other fines, fees and revenues = \$156,000 (41%)	1% of assessed value	0.50%	Aaa	Gas, Water, Sewer, Aviation, Refuse/Recycling, Towing	5,481	City Atty (LBCCA), City Pros (LBCCA), Confidential (LBACE), Engineer Emp (LBAAE), Fire (LBFFA), Lifeguards (LBLEA), Mgmt (LBMA), Misc (IAM), and Police (POA)
Oklahoma City, OK	CM	560,333	621	\$333,000	Sales tax = \$170,000 (51%), Use Tax = \$40,000 (12%), Utility Franchise = \$37,000 (11%), and other fines, fees and revenues = \$87,000 (26%)	n/a	2.00%	Aa2	Aviation, Solid waste, Storm Water, Transit Parking, Water, Wastewater	4,349	Fraternal Order of Police, International Association of Fire Fighters and The American Federation of State, County and Municipal Employees.
San Antonio, TX	CM	1,373,668	408	\$927,000*	CPS Energy Revenues \$276,000 (30%), Property tax = \$232,000 (25%), Sales tax = \$ 185,000 (20%), and other fines, fees and revenues = \$223,000 (24%)	\$0.57	1.13%	Aa1	Aviation, Solid Waste, Parking Facilities	13,100	IAFF (Local 624), SEIU, National Association of Power Engineers (NAPE), SAPPOA, and AFSCME

San Jose, CA	CM	964,695	178.2	\$954,000	Property tax =\$199,000 (21%), Sales tax =\$127,000 (13%), Utility tax =\$ 112,000 (12%), Revenue from State and Local gov't = \$71,000 (7%) and other fines, fees and revenues =\$445,000 (47%)	1% of assessed value	1.00%	Aa2	Aviation, General Parking, Wastewater, Sewer, Water Utility	5,840	International Association of Firefighters (IAFF), Local 230, Association of Building, Mechanical and Electrical Inspectors (ABMEI), Municipal Employees' Federation (MEF), AFSCME, Local No. 101, Association of Legal Professionals (ALP), Association of Engineers and Architects, IFPTE, Local 21 (AEA) Unit 41/42/43, Association of Maintenance Supervisory Personnel (AMSP), City Association of Management Personnel, IFPTE, Local 21 (CAMP), International Brotherhood of Electrical Workers (IBEW), Local No. 332, International Union of Operating Engineers, Local No. 3 (OE#3), San Jose Police Officers' Association (POA), Confidential Employees' Organization (CEO), AFSCME, Local No. 101
Tucson, AZ	CM	543,910	195.1	\$443,000	Business Privilege Tax=\$159,000 (36%), State Shared revenues =\$110,000 (25%), Sales tax =\$37,000 (8%), Property tax =\$12,000 (3%) and other fines, fees and revenues =\$125,000 (28%)	\$0.33	2.00%	Aaa	Environmental Services, Golf, Water	5,419	IAFF, AFSCME, CWATACE and TPOA

Employees as of 12/2010

* FY is Oct-Sept

Footnote: Historically, cities' operating budgets have been included in the table. Operating budget information has been removed from the table because it is difficult to ensure that similar types of expenditure data are included to facilitate an accurate comparison between cities.

Benchmarking Analysis

Benchmarking involves the collection and use of information from outside organizations to improve operations within your own organization. As part of the COPERS Organizational study, the KPMG team developed a peer analysis questionnaire in order to capture relevant information about the operations of COPERS' peer entities. The City of Phoenix's Internal Audit department then distributed the questionnaire to various departments identified by the City, and approved by COPERS, as peer entities. The following entities responded to the survey:

- Wichita Retirement Systems;
- City of Austin Employees' Retirement System;
- San Joaquin County Employees' Retirement Association;
- San Diego City Employees' Retirement System;
- City of Fresno Fire and Police Employees' Retirement System;
- Baltimore Employees' Retirement Systems;
- Missouri Local Government Employees' Retirement Systems;
- Arlington County Employees' Retirement System;
- San Antonio Fire and Police Pension Fund, and
- City of Kansas City Employees' Retirement System.

The survey included several questions involving staffing levels, reliance on technology, employee training practices, performance measurement, and the use performance indicators. We summarize our findings below. Some of these observations offer direct support for findings and recommendations outlined previously. Others offer a comparative context in which to place the current practices of COPERS and provide guidance on potential future goals.

SB 1609: Plan Modifications

PSPRS Plan

Plan changes go into effect on 07/20/2011 unless otherwise stated.

For Existing Members

Contribution Rate	Service Purchase/Refunds	Benefit Calculations	DROP
<ul style="list-style-type: none"> • FY 2010-2011: 7.65% • FY 2011-2012: 8.65% • FY 2012-2013: 9.55% • FY 2013-2014: 10.35% • FY 2014-2015: 11.05% <p>For FY 2015-2016 and after, 11.65% or a 33.3%/66.7 split between employee/employer, whichever is lower, with a minimum employee contribution rate of 7.65%</p> <p>Alternate contribution rate will be required from the employer for any PSPRS retired member who returns to work in a PSPRS covered position. Rate determined annually by the actuary as the unfunded liability amortization portion of the total required contribution, with a minimum rate of 8%.</p>	<p><u>Service Purchase:</u> Member must have 10 years of credited service in order to redeem qualified prior public service and prior qualified military service. Member's purchase is limited to:</p> <ul style="list-style-type: none"> • 60 months prior public service • 60 months prior military service <p><u>Refunds:</u> If a member prior to January 1, 2012, no changes to contribution refund structure.</p>	<p><u>No changes to the benefit calculation provisions:</u></p> <p>Normal retirement:</p> <ul style="list-style-type: none"> • 20 years service • Age 62 with 15 years of service <p>Pension benefit calculation based on highest 3 consecutive years of compensation.</p>	<p>For a member who has 20 or more years of credited service on or before January 1, 2012:</p> <ul style="list-style-type: none"> • <u>No changes to DROP Plan provisions.</u> <p>For a member who has <u>less than 20 years of credited service on and after January 1, 2012:</u></p> <ul style="list-style-type: none"> • Can still elect DROP. • Interest received on DROP account is equal to the average annual return used to calculate the "actuarial value of assets," with a minimum interest of 2% and maximum equal to the actuarial assumed earnings rate. • Must contribute during DROP participation at employee rate; contributions not refundable.

Retroactively to January 1, 2009, the definition of “Member” will include Police and Fire Chiefs.

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PSPRS Plan

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For New Hires on or after January 1, 2012

Contribution Rate	Service Purchase/Refunds	Benefit Calculations	DROP
<ul style="list-style-type: none"> • FY 2011-2012: 8.65% • FY 2012-2013: 9.55% • FY 2013-2014: 10.35% • FY 2014-2015: 11.05% <p>For FY 2015-2016 and after, 11.65% or a 33.3%/66.7 split between employee/employer, whichever is lower, with a minimum employee contribution rate of 7.65%</p> <p>Alternate contribution rate will be required from the employer for any PSPRS retired member who returns to work in a PSPRS covered position. Rate determined annually by the actuary as the unfunded liability amortization portion of the total required contribution, with a minimum rate of 8%.</p>	<p><u>Service Purchase:</u> Member must have 10 years of credited service in order to redeem qualified prior public service and prior qualified military service. Member’s purchase is limited to:</p> <ul style="list-style-type: none"> • 60 months prior public service • 60 months prior military service <p><u>Refunds:</u> If member terminates for reasons other than death, retirement or disability, member can withdraw his/her accumulated contributions less any benefit payments already received or any amount the member owes to the plan, plus interest at a rate determined by the Board of Trustees.</p>	<p>Normal retirement:</p> <ul style="list-style-type: none"> • 25 years service and age 52.5 <p>Pension benefit calculation based on average of the highest 5 consecutive years of compensation.</p> <p><u>Pension Amount:</u> 25 years of credited service:</p> <ul style="list-style-type: none"> • 62.5% of member’s average monthly compensation <p>25 or more years of credited service:</p> <ul style="list-style-type: none"> • Increase base benefit by 2.5% per year and fractional year over 25. <p>Maximum benefit is 80% of average monthly benefit compensation. Benefit is decreased by 4% for each year and fractional year under 25 years of credited service.</p>	<p><u>Program Not Available</u></p>

Additionally, all members of the plan are subject to forfeiture law as prescribed in A.R.S. 13-713 and described below *

SB 1609: Plan Modifications

PSPRS Plan

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Permanent Benefit Increases (COLA)

Effective **May 31, 2011** no more excess investment earnings will be transferred to the current COLA Reserve.

Effective July 1, 2013 Benefit increases are determined as follows:

- Fund must earn more than 10.5% in prior fiscal year.

If PSPRS funding ratio is 60-64%: **2% increase of average normal benefit calculated in prior FY to eligible retirees/survivors.**

If PSPRS funding ratio is 65-69%: **2.5% increase of average normal benefit calculated in prior FY to eligible retirees/survivors.**

If PSPRS funding ratio is 70-74%: **3% increase of average normal benefit calculated in prior FY to eligible retirees/survivors.**

If PSPRS funding ratio is 75-79%: **3.5% increase of average normal benefit calculated in prior FY to eligible retirees/survivors.**

If PSPRS funding ratio is 80% or more: **4% increase of average normal benefit calculated in prior FY to eligible retirees/survivors.**

If earnings over 10.5% are insufficient to fund the maximum allowable percentage increase as set forth above, then the percentage increase will be limited to the percentage that can be funded by the earnings available.

For retired member hired on or after January 1, 2012 or survivor of such a retired member

To be eligible to receive an increase, the retired member or survivor:

- Must be 55 years of age or older on July 1 and be currently receiving benefits
- If under 55 years of age on July 1, was receiving an accidental or catastrophic disability benefit for the (2) two

preceding years

- If under 55 years of age on July 1, was receiving a survivor-KIA benefit for the 2 (two) preceding years

SB 1609: Plan Modifications

PSPRS Plan

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***Forfeiture Law:**

If a member of a state retirement system or plan is convicted or pleads no contest to a Class 1-5 felony AND that crime was committed in the course of the member's public employment, the court shall order the person's membership terminated and the person shall forfeit all rights and benefits earned under the retirement system or plan. Member receives refund of contributions plus interest determined by the board less any benefits received by the member. The court shall order that the member subject to forfeiture is not eligible for future membership in any state retirement system or plan.

After forfeiture, the court may award an amount to a spouse, dependent or former spouse of the member. However, this award is subject to existing laws under the retirement system or plan.

SB 1609: Plan Modifications

Elected Officials Retirement Plan

Plan changes go into effect on 07/20/2011 unless otherwise stated.

For Existing Members

Contribution Rate	Service Purchase/Refunds	Benefit Calculations
<ul style="list-style-type: none"> • FY 2010-2011: 7% • FY 2011-2012: 10% • FY 2012-2013: 11.5% <p>For FY 2013-2014 and after, 13% or a 33.3%/66.7 split between employee/employer, whichever is lower, with a minimum employee contribution rate of 7% and 10% for employer.</p> <p>Alternate contribution rate will be required from the employer for any EORP retired member who returns to work in an EORP position. Rate determined annually by the actuary as the unfunded liability amortization portion of the total required contribution, with a minimum rate of 10%.</p>	<p><u>Service Purchase:</u> Member must have 10 years of credited service in order to redeem qualified prior public service and prior qualified military service. Member is limited to:</p> <ul style="list-style-type: none"> • 60 months prior public service • 60 months prior military service <p><u>Refunds:</u> If a member prior to January 1, 2012, no changes to contribution refund structure.</p>	<p><u>No changes to the benefit calculation provisions including Early Retirement:</u></p> <p>Normal retirement:</p> <ul style="list-style-type: none"> • Age 65 with 5 or more years of credited service • Age 62 with 10 or more years of credited service • 20 years of credited service regardless of age <p>Pension benefit calculation based on highest 3 consecutive years of compensation.</p> <p>Early Retirement:</p> <ul style="list-style-type: none"> • Must have at least 5 years of credited service and ceases to hold office.

Superior Court Commissioners appointed on or after July 1st become members of the ASRS on the first fiscal year after the SSA approves inclusion of this group on the State's Section 218 agreement.

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Elected Officials Retirement Plan

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For New Hires on or after January 1, 2012

Contribution Rate	Service Purchase/Refunds	Benefit Calculations
<ul style="list-style-type: none"> • FY 2010-2011: 7% • FY 2011-2012: 10% • FY 2012-2013: 11.5% <p>For FY 2013-2014 and after, 13% or a 33.3%/66.7 split between employee/employer, whichever is lower, with a minimum employee contribution rate of 7% and 10% for employer.</p> <p>Alternate contribution rate will be required from the employer for any EORP retired member who returns to work in an EORP position. Rate determined annually by the actuary as the unfunded liability amortization portion of the total required contribution, with a minimum rate of 10%.</p>	<p><u>Service Purchase:</u> Member must have 10 years of credited service in order to redeem qualified prior public service and prior qualified military service. Member is limited to:</p> <ul style="list-style-type: none"> • 60 months prior public service • 60 months prior military service <p><u>Refunds:</u> If member terminates for reasons other than death, retirement or disability, member can withdraw his/her accumulated contributions less any benefit payments already received or any amount the member owes to the plan, plus interest at a rate determined by the Board of Trustees.</p>	<p>Normal retirement:</p> <ul style="list-style-type: none"> • Age 65 with 5 or more years of credited service • Age 62 with 10 or more years of credited service <p>Pension benefit calculation based on average of the highest 5 consecutive years of compensation within the last 10 years of service.</p> <p><u>Pension Amount:</u> Member receives 3% of average salary multiplied by years of credited service.</p> <p>Maximum benefit is 75% of average monthly compensation.</p> <p><u>Survivor Amounts:</u> Eligible Surviving spouse receives 50% of member's pension at time of death. Member may elect a higher survivor pension at time of retirement with an actuarial reduction in member's calculated pension benefit.</p> <p><u>Disability Pensions:</u></p> <ul style="list-style-type: none"> • Member receives 75% of average salary if a member has 10 or more years of credited service. • Member receives 37.5% of average salary if a member has 5-9 years of credited service. • Member receives 18.75% of average salary if a member has less than 5 years of credited service.

Additionally, all members of the plan are subject to forfeiture law as prescribed in A.R.S. 13-713 and described below *

SB 1609: Plan Modifications

Elected Officials Retirement Plan

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**Permanent Benefit Increases
(COLA)**

Effective **May 31, 2011** no more excess investment earnings will be transferred to the current COLA Reserve.

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- Fund must earn more than 10.5% in prior fiscal year.

If EORP funding ratio is 60-64%: **2% increase of benefit being received on the preceding June 30th to eligible retirees/survivors.**

If EORP funding ratio is 65-69%: **2.5% increase of benefit being received on the preceding June 30th to eligible retirees/survivors.**

If EORP funding ratio is 70-74%: **3% increase of benefit being received on the preceding June 30th to eligible retirees/survivors.**

If EORP funding ratio is 75-79%: **3.5% increase of benefit being received on the preceding June 30th to eligible retirees/survivors.**

If EORP funding ratio is 80% or more: **4% increase of benefit being received on the preceding June 30th to eligible retirees/survivors.**

If earnings over 10.5% are insufficient to fund the maximum allowable percentage increase as set forth above, then the percentage increase will be limited to the percentage that can be funded by the earnings available.

For retired members or survivor of a retired member hired on or after January 1, 2012

To be eligible to receive an increase, the retired member or survivor:

- Must be 55 years of age or older on July 1 and be currently receiving benefits

Additionally, from and after 12/31/2015, State Legislature may enact permanent one-time benefit increases

after an analysis of the plan by the JLBC.

SB 1609: Plan Modifications

Elected Officials Retirement Plan

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After forfeiture, the court may award an amount to a spouse, dependent or former spouse of the member. However, this award is subject to existing laws under the retirement system or plan.