

**NOTICE OF PUBLIC MEETING
PHOENIX CITY COUNCIL
PENSION FAIRNESS AND SPIKING ELIMINATION AD HOC SUBCOMMITTEE**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of the **PHOENIX CITY COUNCIL PENSION FAIRNESS AND SPIKING ELIMINATION AD HOC SUBCOMMITTEE** and to the general public, that **PHOENIX CITY COUNCIL PENSION FAIRNESS AND SPIKING ELIMINATION AD HOC SUBCOMMITTEE** will hold a meeting open to the public on **Tuesday, September 17, 2013 at 5:00 p.m.** located at **Phoenix City Council Chambers, 200 West Jefferson Street, Phoenix, Arizona.**

One or more Subcommittee members may participate via teleconference.

The agenda for the meeting is as follows (items may be discussed in a different sequence than posted):

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| 1. | CALL TO ORDER | Bill Gates, Chair |
| 2. | SUBCOMMITTEE CHARGE AND TIMELINE This item is for information and discussion. | Bill Gates, Chair |
| 3. | REVIEW OF PENSION REFORM EFFORTS TO DATE This item is for information and discussion. | Rick Naimark, Deputy City Manager |
| 4. | REVIEW OF PENSION CALCULATION FOR COPERS, PSPRS AND EORP This item is for information and discussion. | Rick Naimark, Deputy City Manager Gail Strohl, Retirement Administrator |
| 5. | REVIEW OF PENSIONABLE COMPENSATION AND BENEFIT ITEMS FOR PHOENIX COPERS, PSPRS AND EORP This item is for information and discussion. | Rick Naimark, Deputy City Manager Lionel Lyons, Interim Human Resources Director |
| 6. | EXAMPLES OF IMPACT OF SICK LEAVE AND VACATION LEAVE ON PENSION This item is for information and discussion. | Rick Naimark, Deputy City Manager Gail Strohl, Retirement Administrator |
| 7. | MULTI-CITY SURVEY This item is for information and discussion. | Rick Naimark, Deputy City Manager |

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| 8. | REQUEST FOR ADDITIONAL RESEARCH AND FUTURE AGENDA ITEMS This item is scheduled to give Subcommittee members an opportunity to mention possible topics for future Subcommittee agendas or to request City staff to follow-up on Subcommittee issues. | Bill Gates, Chair |
| 9. | CALL TO THE PUBLIC Consideration, discussion and comments from the public; those wishing to address the Subcommittee need not request permission in advance. Action taken as a result of public comment will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date. | Bill Gates, Chair |
| 10. | Adjournment | Bill Gates, Chair |

For further information, please call Brandie Ishcomer Barrett, Management Assistant, City Manager's Office, at Voice/602-262-7684 or TTY/602-534-5500.

Persons paid to lobby on behalf of persons or organizations other than themselves shall register with the City Clerk prior to lobbying or within five business days thereafter, and must register annually to continue lobbying. If you have any questions about registration or whether or not you must register, please contact the City Clerk's Office at 602-262-6811.

For reasonable accommodations, call Brandie Ishcomer Barrett at Voice/602-262-7684 or TTY/602-534-5500, as early as possible to coordinate needed arrangements.

Subcommittee Members

Councilman Daniel Valenzuela
Councilman Tom Simplot

Councilwoman Thelda Williams
Vice Mayor Bill Gates, Chair

September 13, 2013



City of Phoenix

To: Members of the City Council

Date: September 9, 2013

From: Mayor Greg Stanton and Vice Mayor Bill Gates

Subject: PENSION FAIRNESS AND SPIKING ELIMINATION AD HOC SUBCOMMITTEE

Last year, this Council put significant pension reform on the ballot which voters approved with 80 percent of the vote. Together, voters and city management made important changes to the City of Phoenix Employee Retirement System (COPERS), including

- Eliminating the use of sick leave for the purpose of calculating a pension for new employees;
- Freezing additional pensionable sick leave accrual for current employees moving forward (the city has been sued over this change and is currently engaged in litigation over the issue);
- Significantly increasing employee contribution to retirement fund ; and
- Requiring additional years of service before an employee is eligible to retire.

In July, Mayor Stanton and members of the City Council urged city staff to take steps toward modernizing its compensation system, including rewarding superior performance, reining in overtime costs, and eliminating the City's decades-old policies that allow for the controversial practice of pension "spiking." Further, both of us committed to eliminate pension "spiking" in our next City Manager's contract.

Although we are both encouraged by the progress the City has made, we must do more. And we both agree that pension "spiking" should be eliminated in a fair, legal, and transparent way.

We have reached an agreement that Mayor Stanton will create the Pension Fairness and Spiking Elimination Ad Hoc Subcommittee of the City Council, and that Vice Mayor Gates will serve as its chair. Additional members will include Councilman Tom Simplot, Councilman Daniel Valenzuela, and Councilwoman Thelda Williams.

The subcommittee will

(1) identify each current practice that qualifies as pension "spiking" within COPERS, the Public Safety Personnel Retirement System (PSPRS) and the Elected Officials Retirement Plan (EORP);

(2) identify which changes can be made administratively and which ones must occur during contract negotiations, and further identify which reforms may require amending the city code or charter; and

(3) create a timeline for implementing recommended reforms.

Some actions may have legal ramifications. The subcommittee and Council will seek legal guidance on those topics.

We ask the subcommittee to swiftly report its findings and recommendations back to the full Council by October 4, and that we hold a public meeting with the full Council by October 22. This ad hoc subcommittee will sunset on December 1.

CC: David Cavazos, Ed Zuercher, Rick Naimark, Penny Parrella, Karen Peters