

**Interoffice Memorandum**

**City Manager's Office**

**TO:** Mayor Holic and City Council Members

**FROM:** Edward F. Lavalley, City Manager

**RE:** Proposed Police Pension Cost of Living Adjustment (COLA) Information

**DATE:** November 1, 2016

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On September 13, 2016, Council requested further information regarding a proposed Police pension Cost of Living Adjustment (COLA). As requested, please be advised as follows:

1. Projected Fiscal Impact (Source – Doug Lozen)

No impact for fiscal year 2016.

The total increase in liabilities associated with the proposed Ad Hoc COLA is amortized as a level dollar over 20 years. Accordingly, the \$235,059 annual impact will be in place from fiscal 2017 through fiscal 2036.

2. Peer Review (Source – FL Division of Retirement)

Please see attached benefit comparison chart. It is very comprehensive (35 pages), and we have not done an in-depth analysis, but in brief summary, as you will see it appears that about half of the Police agencies listed have a COLA, and that where specificity on the COLA is provided, they run at around 2.5%, with 3% being on the high side.

ELF/jg