



City of 
Memphis

RETIREE



RETIREEES

Retirees Non-Line of
Duty

- General Services
- Police
- Fire Services
- Widows of Retirees

LOD Disability

LOD Death

Spouses/Children





Full Service General Retirees

- Hardest Hit Due to Loss of Health Care for Pre-65
- Retired prior 1999
- 2,087 Retirees are 37% of 5,586 Total as of FY-Ending 2023
- Many Retirees have returned to work

LOD Disability

- 60% of the Monthly Compensation or Accrued Benefit as of the date of disability

NON LOD Disability

- 1948 – of the Monthly Compensation or Accrued Benefit as of the date of disability.
- 1978-2016 Only the Accrued benefit as the date of disability.
- ❖ *Making these retirees and some of their beneficiaries are the youngest of age at no fault of their own.*

Non-LOD Death

- 1978-2016 Pension Plans receive 75% of the participants Accrued Benefit as of the date of participants death

LOD Death

- 60% of the Monthly Compensation or Accrued Benefit as of the date of death.

LINE OF DUTY DEATH BENEFITS

- “Triumph Over Tragedy”
- Federal-Public Safety Officer Benefits (PSOB)
- State-Emergency Responder Death Benefit
- National Fallen Firefighters Foundation (NFFF)
- Concerns of Police Survivors (C.O.P.S.)



WHO HAS A VOICE FOR RETIREES?

WHO HAS OUR FALLEN HEROES FOUNDATION (OFHF) CONTACTED?

Memphis Fire Union Local 1784 – Does not have contractual negotiating POWER for Retirees

Memphis Police Association – Does not have contractual negotiating POWER for Retirees

Association Of City Retired Employees (ACRE) – Executive Board met with Mayor Young and presented the Mayor's proposal to City Council Members recommendation for FY25 One-Time Bonus \$3,000 to all retirees. **(5,586 retirees x \$3,000 = \$16 Million)**

City Council Member – Meeting and presented retirees' disparity and provide questions, requesting answers. No response with answers, returned phone calls, text or emails.

Mayor Young – OFHF emailed a request to meet with Mayor Young and he offered a date late June that would not meet the deadline for FY25 Budget request.



MEMPHIS POLICE ASSOCIATION



WHY ARE WE HERE: ASKING FOR YOUR HELP IN OBTAINING...

Unanswered questions

1. How is the airport authorities ADC (ARCH) funded? City or Airport Authority?
2. Has the past ADC (ARCH) been fully funded and if so, what year was that liability met?
3. Is there an updated Fund 245 Status Report (2019 Sales Tax Referendum) or presentation since February 21, 2023 and if so, can we have a copy?

- Press Package

Request for Reports

Per the City of Memphis Retirement System Actuarial Valuation of Obligations for Fiscal Year Ending June 30, 2023:

- Section IV-Census Date
- Page #23 (Exhibit #5) D-Distribution of Terminated Members by Age and Service
- Page #24 (Exhibit #6) E-Distribution of Retired, Beneficiaries, Disabled, and DROP Members by Age and Number of Years Retired



HOW DID RETIREES GET HERE?

Mayor & City Council did not address ordinance to approve COLA

2010 Loss in Percentage of Tiered COLA

2014 Loss of Healthcare Insurance

- Post-65 Forced to Medicare
- Pre-65 Forced to Private Exchange with HRA
- **Due to 46 Million ADC Pension Liability**

2016 Hybrid Plan for Active Employees with 7.5 or less years of service removed from Defined Contribution Pension Plan.

**RESULT: OVERWHELMING LOSS OF PUBLIC SAFETY EMPLOYEES
AND A CRITICAL RETENTION ISSUE**



WHAT WAS FIRE UNION LOCAL 1784 & MPA SOLUTION FOR HEALTHCARE CRISIS

2019 Sales Tax Referendum Pass by Citizens of Memphis

- Special Restricted Revenue Fund 245 (Effective for revenue generated commencing January 1,2020)
- No Other Reoccurring / Permanent Obligations Permitted (i.e. pay raises)

Use of the Proceeds of the 0.5% Sales Tax Increase Breakdown

Restore & Maintain Health Care Benefits & OPEB for Employee & Pre-65 Retirees Public Safety Employees ONLY to levels in effect as of July 1, 2014

- Commission Police Officers, Commissioned Fire Fighters
- Paramedics, Police and Fire Dispatchers

Restore & Maintain Pension Benefits of Said Employees Hired Prior to July 1, 2016, to the Levels Specified in the 1978 City of Memphis Pension Plan

Any Remaining Proceeds Shall Be Used for Street Maintenance and/or Pre-Kindergarten Education

All funds must be spent for the purposes designated above. These funds are to be used in addition to and may not replace or supplant any current funding for the above purposes.

**From Mayor Jim Strickland City Council Presentation March 3, 2020*



MPA, Fire and ACRE worked together along with retirees to inform citizens and encourage “Yes” votes

QUOTE FROM MAYOR STRICKLAND “BEHIND THE HEADLINES”

Mayor Jim Strickland was the Chairman of City Council in 2014 and voted to remove the retirees from healthcare. Then in 2016 was elected Mayor.

Mayor Strickland appeared on our local PBS “Behind the Headlines” on November 26, 2023, as he was leaving office, after serving two (2) terms. He was asked, “*in hindsight would you roll back the clock on healthcare and pension reforms*”, he answered

“There is a difference in the amount of information you get when you are a Mayor than as a City Council person. I wish our team had been in place at that time to figure out a better way to handle it. Because when we restored the benefits after the 2019 sales tax passage... Restoring did not cost near as much amount of money that the experts said in 2014 that it was going to cost us to continue those benefits”.

After his statement that leads us to believe that all retirees could have been put back on the city’s healthcare plan using the 2019 Sales Tax Referendum Fund 245.



BONUS / SALARY INCREASES

Yearly bonus and salary raises for Police/Fire Funded by Fund 245

2021 9% Retention Bonus

2022 9% Retention Bonus

2023 9% Salary Increase and 5% Salary Increase from Department Budgets

Yearly Negotiated Salary Raises

(2021 & 2022 3% Salary Raises)

FY25 5% Salary Raises approved May 21, 2024

Total Wage Increase of 43% Over Three (4) Years Which Includes Upper Management

❖ Does not include raises from 2013 to 2020

43% over 4 years is more than half of what a 25-year employee who retired prior to 2014 received the entire tenure of their career!



Management

Police Director
increased from
\$230K in 2021 to
\$300K in 2023

Fire Director
increased from
\$164K in 2019 to
\$240K in 2023

Other Salary Increases from Department Budgets

2021 3%

2022 3%

2022 – September 1st Fire Service Management
Extended Duty Bonus for Overtime

- ❖ Made Pensionable by Using Creative Accounting.
- ❖ Which is a Direct Violation of the City of Memphis TN Code of Ordinances for the Pensionable Overtime

Currently, we are unable to determine if the Management Extended Duty Bonus is funded through Fund 245 or Fire Services payroll budget.

Also, how these bonus may impact the city's ADC liability to the pension



FIRE SERVICES MANAGEMENT RETENTION BONUS 2022 & EXTENDED DUTY BONUS 2022 (4TH QTR)& 2023 (1ST & 2ND QTR ONLY)

Is this funded from Fire Service Payroll Budget or from Fund 245?

EXAMPLE: Battalion Chief 2023 Base Salary \$106,952.56

Retention Bonus paid 2022 \$8,443.64 = 8%

Extended Duty Bonus average per BC

(4th Qtr) 2022 = 5% and (1st & 2nd Qtr) = 13% ***Total 26%**

Example: Battalion Chief estimated average \$130,253.14

Estimated 57 BC earned \$23,300 additional pay \$1,328,300 (ADC Liability)

❖ Some BC have made up to \$22,000 per quarter



Police / Fire Recruitment Center

QUESTIONABLE POSSIBLE
USE OF 245 FUNDS

PURCHASED 9/3/22
\$600,000

RENOVATIONS
11/18/22
\$960,000

NO PROOF, BUT WOULD
LIKE CITY TO BE
TRANSPARENT



61 S McLean

LOSS COLA INCOME FOR RETIREES



RETIREES LOSSES OVER LAST 15 YEARS

Who has been affected the most by both the Healthcare Crisis and Loss of COLA

35.5% Loss in COLA's

General Employees/Retirees –Fire/Police not included in the 2019 Sale Tax Referendum

PRE-65 HRA / Private Exchange Retiree

They only receive a HRA Benefit and not City Insurance

High Deductibles for Health Care Insurance Premiums \$6,300 - \$7,500 with High Out-Of-Pocket Expenses

High monthly insurance premiums that range from \$450 - \$850 based on age and coverage

- ❖ LOD Death Widows average loss in COLA's \$46K and making \$7,800 less per year as of 2024
- ❖ Received 0.0765% increase over 21 years 2003 - 2024



CITY OF MEMPHIS RETIREES PENSION RAISES "COLA" JULY 1996 - JULY 2024

Increase in monthly retirement authorized by Ordinance approved and passed by City Council Members in Mayor's FY Budget

City of Memphis Retirees Pension Raises "COLA" July 1996 - July 2024								
	Retired			Retired			Retired	
July 1, 1996	Prior to Jan 1,1980	4%	July 1, 2002	Prior to Jan 1,1988	3%	July 1, 2010	Prior to Jan 1,1996	1.5%
	1980-1985	3%		1988-1993	3%		1996-2001	1%
	1986-1991	2%		1994-2001	2%		2002-2009	0.5%
	1992-1995	1%						
			July 1, 2003	Prior to Jan 1,1989	3%	July 1, 2011	Prior to Jan 1,1997	1%
July 1, 1997	Prior to Jan 1,1981	4%		1989-1994	2%		1997-2002	0.5%
	1981-1986	3%		1995-2002	1%		2003-2010	0.5%
	1987-1992	2%						
	1993-1996	1%	July 1, 2004	Prior to Jan 1,1990	3%	July 1, 2012	Prior to Jan 1,1998	1%
				1990-1995	2%		1998-2003	0.5%
July 1, 1998	Prior to Jan 1,1982	4%		1996-2003	1%		2004-2011	0.5%
	1982-1987	3%						
	1988-1993	2%	July 1, 2005	Prior to Jan 1,1991	3%	July 1, 2013	No Raise	0%
	1994-1997	1%		1991-1996	2%	July 1, 2014	No Raise	0%
				1997-2004	1%	July 1, 2015	No Raise	0%
July 1, 1999	Prior to Jan 1,1983	6%				July 1, 2016	No Raise	0%
	1983-1984	4%	July 1, 2006	Prior to Jan 1,1992	3%	July 1, 2017	No Raise	0%
	1985-1990	3%		1992-1997	2%	July 1, 2018	No Raise	0%
	1991-1996	2%		1998-2005	1%			
	1996-1998	1%				July 1, 2019	One Time Bonus	1%
			July 1, 2007	Prior to Jan 1,1993	3%			
July 1, 2000	Prior to Jan 1,1986	4%		1993-1998	2%	July 1, 2020	No Raise	0%
	1986-1991	3%		1999-2006	1%	July 1, 2021	No Raise	0%
	1992-1996	2%						
	1997-1999	1%	July 1, 2008	Prior to Jan 1,1994	3%	July 1, 2022	All Retirees	1%
				1994-1999	2%			
July 1, 2001	Prior to Jan 1,1987	4%		2000-2007	1%	July 1, 2023	No Raise	0%
	1987-1992	3%						
	1993-1997	2%	July 1, 2009	Prior to Jan 1,1995	3%	July 1, 2024	All Retirees	?
	1998-2000	1%		1995-2000	2%			
				2001-2008	1%			

- Note: When raises were granted, the norm was those retired 1 year less No raise,
- Retired 1 year to 8 years got the least raise because they retired at higher pension.
- Retired 9 years to 15 got second highest raise.
- Those retired 15 years or more had retired at much lower pension and therefore were granted the highest pension raises.



WHAT CITY OF MEMPHIS ASK OF EMPLOYEES...

- **City employees were hired with the knowledge of the... RISK**
 - Line-Of-Duty Death / Disability
 - Running into fires
 - Dodging bullets / Working in high crime areas
 - Exposed to toxic chemicals
 - Higher risk for cancer & heart attacks
 - Not Making High Salaries
- **BUT...**
- Promises and expected in return a nice pension and benefits for their retirement and their survivors



OFHF has a viable solution to the retirees fourteen (15) years of “Loss COLA”.

We are asking to be given the opportunity to present to Mayor Young before he finalizes the City’s FY25 Budget.

We are seeking support of our City Council members.

