

TO: Bob Kuntz, City Administrator
FROM: Denise Keller
DATE: October 28, 2014
RE: LAGERS Change

We have received the rate quotes from LAGERS to change our plan level from L-3 to L-7 effective January 1, 2015. They are listed below, along with the quotes we had received two years ago to upgrade the plan.

	L-7 Rates quoted for 2013	L-3 Rates quoted for 2015 (benefit of 1.25%)	L-7 Rates quoted for 2015 (benefit of 1.50%)
General	10.0%	4.6%	8.9%
Police	10.9%	8.9%	10.9%

The cost in the budget for 2015 to change from a plan with a 3% merit salary increase and compression adjustments to a plan with 0% merit salary increase, compression adjustments and an upgrade in LAGERS benefits would be \$87,000 higher.

Merit increases at 3%, including range minimum adjustments	\$195,000
Compression plan adjustments	69,000
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	\$264,000
Less merit increases	(\$195,000)
Plus cost of range minimum adjustments	\$ 15,000
Plus increased LAGERS cost on current salaries, compression increases and range minimum increases	\$267,000
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	\$351,000
L-3 +3% merit	\$264,000
L-7 + 0% merit	\$351,000
Cost increment	<hr/>
	\$ 87,000