

**DETROIT CHARTER REVISION COMMISSION**  
**PROPOSAL/ISSUE REVIEW SUMMARY**

**ISSUE NUMBER:** BF 81

**ISSUE CATEGORY:** Budget & Finance

**SOURCE:** Mayor Bing Administration  
Letter, Rec'd December 21, 2010

**RELATED CHARTER SECTIONS:** §11-103 (Principals Applicable in Administering  
Plans)

**RELEVANT ORDINANCE SECTION:**

**RELEVANT LAW(S):**

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**ISSUE/PROPOSAL STATEMENT:** Eliminate section detailing principals to be applied in administering existing retirement plans.

**ARTICLE 11. RETIREMENT PLANS**

**Sec. 11-103. ~~Principles applicable in administering plans.~~**

~~Not more than two (2) governing bodies for administering the City's retirement plans may be established.~~

~~1. The board of trustees of the general retirement system shall consist of:~~

~~A. The mayor;~~

~~B. A city council member selected by that body;~~

~~C. The city treasurer.~~

~~D. Five (5) members of the retirement system, to be elected by the members of the retirement system under rules and regulations as may be adopted by the board, except that not more than one (1) trustee shall be elected from any department;~~

~~E. A citizen of the city who is neither an employee of the city nor eligible to receive benefits under the retirement system, appointed by the mayor, subject to approval of the board.~~

~~F. One (1) retirant, receiving benefits under the retirement system and elected by retired city employees under procedures established by ordinance.~~

~~2. The board of trustees of the police and fire retirement system shall consist of:~~

~~A. The mayor or in the absence of the mayor, a designee;~~

~~B. A city council member selected by that body;~~

~~C. The city treasurer;~~

~~D. The chief of police;~~

~~E. The fire commissioner;~~

~~F. Three (3) firefighters who are members of the retirement system elected by the firefighter members under the rules and regulations as may be adopted by the board. Trustees shall be:~~

~~1. Two (2) to be elected by and from members holding the rank of lieutenant (or equivalent) and lower ranks;~~

~~2. One (1) to be elected by and from members holding a rank above lieutenant (or equivalent).~~

~~G. Three (3) police officers who are members of the retirement system elected by police officer members under the rules and regulations as may be adopted by the board. Trustees shall be:~~

~~1. Two (2) to be elected by and from members holding the rank of lieutenant (or equivalent) and lower ranks;~~

~~2. One (1) to be elected by and from members holding a rank above lieutenant (or equivalent); and~~

~~H. A retirant, receiving benefits under the retirement system who shall be a resident of the city and elected by retired firefighters and police officers under procedures established by ordinance.~~

~~Staff services required by a governing body shall be provided as determined by the finance director.~~

**RATIONALE:**        *“Notwithstanding its title, Section 11-103 contains no principles to be applied in administering plans. The subject matter of the section, Board composition, need not be addressed in the Charter. Indeed, with respect to the Police and Fire Retirement System, the Board structure described in Section 11-103 is no longer in effect, having been replaced by a different structure pursuant to the collective bargaining process. Since under Section 11-102 the existing governing bodies administering the city retirement plans when this Charter takes effect continue in existence exactly as before, it is recommended that Section 11-103 be deleted and that any potential future changes be handled pursuant to Section 11-102 ‘by ordinance or in accordance with applicable law.’”-Bing Administration, Letter, December 21, 2010.*

**ANALYSIS:**        See legal opinion on PERA and Retirement Plans/Systems.

**DISPOSITION/COMMISSION ACTION:**

**NOTES:**

