



**METROPOLITAN SERVICE DISTRICT**

1220 S.W. MORRISON, ROOM 300, PORTLAND, OREGON 97205

(503) 222-3671

MSD MANAGEMENT COMMITTEE

DECEMBER 7, 1977

- I. MSD RETIREMENT POLICY - PERS - CHARLES ESTES
- II. ZOO FREE ADMISSIONS POLICY - A. MCKAY RICH
- III. BUDGET TRANSFER PREPARATION - CHARLES C. KEMPER



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## MSD MANAGEMENT COMMITTEE

December 7, 1977

### IN ATTENDANCE

Ray Miller  
Sidney Bartels  
Charles C. Kemper  
A. McKay Rich  
Chuck Estes  
Jean Woodman

### I. MSD RETIREMENT POLICY - PERS

Mr. Estes submitted a memo discussing five employees currently under the State PERS Plan and the excess payment required of 2.88% for this coverage. The memo also discussed a planned rate increase by PERS and the impact upon MSD.

The committee directed staff to transfer the five employees presently on PERS to the Bankers Life coverage, and to notify Dick House of the Laborers Union that this move will affect some union members. Staff was also directed to check out the legal ramifications with Dean Gisvold.

### II. ZOO FREE ADMISSIONS POLICY

Mr. Rich stated that this was an informational item to alert the committee that future direction will be required. Also, he felt that clarification was needed on what constituted an educational group under the ordinance and non-resident educational groups receiving free admission.

The committee directed staff to research convention packages with OMSI and Forestry Center for public relations, and make a proposal for free admissions cutoff which could be straight grade schools and colleges. Also, staff was directed to give consideration to a group rate.

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### III. BUDGET TRANSFER PREPARATION

Mr. Estes addressed the Committee, on an informational basis, stating that the supplemental budget process was on schedule and that the Budget Advisory Committee would be meeting during the next two weeks. The Budget Advisory Committee consists of James Robnett, Miller Duris, John Wight, and John Hankee.




# METROPOLITAN SERVICE DISTRICT

1220 S.W. MORRISON, ROOM 300, PORTLAND, OREGON 97205

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December 2, 1977

TO: C. Kemper/Management Committee  
FROM: C. Estes   
RE: MSD Employee Retirement Plans

Currently all MSD employees are under the MSD retirement plan with Bankers Life except for 5 employees who are under the state PERS plan. Originally this exception came from arrangements made between the city of Portland and the Zoological Society and was part of the union agreements at that time. When the board acted on these plans, June 1976, it continued this exception.

The current Employer contributions for these plans are:

Bankers Life - 5% of payroll gross

PERS - 7.88% of payroll gross

The excess of 2.88% means an excess payment to PERS by MSD the current year of \$2,271, (2.88% of the 5 employees' gross).

The contribution rate for Bankers Life plan cannot be changed without agreement by both MSD and the carrier. However on November 21st, we received from PERS notice of a 4 step rate increase which after 3 more fiscal years will make the contribution rate 11.28%.

Using current salaries and disregarding probable rate increases the next 3 years this means an excess payment by MSD of \$4,948, (6.28% for the 5 employees).

I have consulted with our legal counsel to research the legal implications and advise a procedure action to take.

I recommend the 5 employees be transferred to the regular MSD Retirement Plan for the following reasons:

1. The excess payments by MSD,
2. The inequity of this fringe benefit exception.
3. The earnings appreciation of the two plans.

Bankers Life ranks right among the top nationally for interest/dividend earnings on group retirement plans while I am sure you heard that in recent years there were employees who retired or terminated in the PERS plan who actually received less money than what was put in; and their present earnings rate is very low.

If you concur with this recommendation the report from legal counsel will be brought to you for the action to take.

cc: Dean Gisvold