

February 1, 1982

LB 387

SENATOR NICHOL: Well, my question is to you, would this be exempt first of all from the lid since I assume it isn't, or is it?

SENATOR V. JOHNSON: You know it might be exempt from the lid and I have to go back and read the lid law to give you the precise answer to that because my recollection is we did provide some exemptions from the lid for retirement programs.

SENATOR NICHOL: That is right, and I don't recall either, so with both of us having a bad memory, I will be interested in that answer as to whether or not it is within or without the lid.

SENATOR V. JOHNSON: I can probably look it up while you are still at the microphone.

SENATOR NICHOL: Thank you.

PRESIDENT: Senator Fowler.

SENATOR FOWLER: To deal with Senator Nichol's question, if you would read the memorandum from the committee actuary and look at the attachments, it would indicate the fiscal extra contribution that would have to be made, and it says at the bottom of the first page, number one, "for a city contributing to the retirement system based on actuarial recommendations, the increased and recommended annual contribution to reflect the provisions of LB 387 would not be significant. Based on the examination of annual costs for firefighter and police officer systems for several first class cities, the additional annual cost is expected to be less than one-half of one percent of covered pay roll," and by covered pay roll that is the fire and police pay roll. So the extra cost as determined by the actuary would be very, very small in terms of the city budget so that the pressure or impact on the lid would not be great. Also, as we all know, the lid terminates in one year with the sunset clause. So I don't think that there is any problem there. Now I do have an amendment pending that would have exempted this extra contribution from the lid. But I am going to withdraw that because the actuary indicates that the cost is insignificant and the League of Municipalities didn't indicate that they cared to have that amendment, so I really think that based on the actuarial information and the lack of response to that amendment from the League of Municipalities, I have to assume that a lid exemption is unnecessary