

3125 Tecumseh River Rd
Lansing, MI 48906

November 16, 2012

Governor Rick Snyder
P.O. Box 30013
Lansing, Michigan 48909

Dear Governor Snyder,

On Thursday, I sent you a message similar to this using the "Share Your Opinion" feature on your website.

I am writing to ask you to veto Senate Bill 0797 if it gets to your desk in its present form. It has passed both houses of the Legislature and was postponed for immediate effect on September 20. My only objection to the bill is that it exempts from the Freedom of Information Act information regarding the calculation of a public employee's pension. Here is the passage I'm referring to:

(3) Except as otherwise provided in this subsection, information regarding the calculation of actual or estimated retirement benefits for members of the system is exempt from disclosure by the system or the political subdivision sponsoring the system pursuant to Section 13(1)(d) of the Freedom of Information Act, 1976 PA 442, MCL 15.243. Upon a majority vote of the governing body of the political subdivision sponsoring the system, the system shall provide the designated representative of the political subdivision with a reasonable opportunity to inspect, copy, or receive copies of all information regarding the calculation of actual or estimated retirement benefits for members of the system. The system may require that information provided by the system under this subsection be provided only upon a promise of confidentiality by the political subdivision sponsoring the system. A system may make reasonable rules to ensure the confidentiality of records exempt from disclosure under applicable state and federal law. The system may charge a fee under this subsection in accordance with Section 4 of the Freedom of Information Act, 1976 PA 442, MCL 15.234. All fees and expenses incurred by the political subdivision sponsoring the system that are related to this subsection shall be borne by the political subdivision and shall not be deducted from or offset against the political subdivision's required pension contributions to the system.

That passage seems out of place in the bill, the full title of which is as follows:

An act to authorize the investment of assets of public employee retirement systems or plans created and established by the state or any political subdivision; to provide for the payment of certain costs and investment expenses; to authorize investment in variable rate interest loans; to define and limit the investments which may be made by an investment fiduciary with the assets of a public employee retirement system; and to prescribe the powers and duties of investment fiduciaries and certain state departments and officers.

I am concerned because the pension is an extremely important part of an employee's compensation and should not be hidden from public view.

The pension calculation formula *seems* simple: years of service times a multiplier times final average compensation (FAC). The first two factors are pretty straightforward, but FAC is not. Employee groups strive to include anything remotely resembling compensation in the FAC definition so as to pump up the pension. For example, FAC for Lansing police includes the following:

- Annual base salary
- Overtime pay (including holiday pay)
- Longevity
- Gun allowance
- Clothing allowances
- Sick leave reimbursement (buy-back)
- Shift premium
- Retroactive pay (prorated by effective date)

My research using pension calculation sheets obtained through FOIA has revealed that actual pensions for Lansing's police and firefighters exceed 90% of their salaries after only 25 years of service (www.stevharrypublicpolicy.com/CityEmployees/PoliceAndFireRetirements).

Please do not allow the people of Michigan to be denied access to pension information for their public employees.

Sincerely,

Steve Harry
517-505-2696

cc. Senator Arlan B. Meekhof
Senator Mark Jansen