

Projected Changes in Fund Balances - Fund 656 Pension - Fire & Police

To account for the accumulation of resources used to pay retirement benefits to the City's Firefighters and Police Officers. The City's contribution represents the amount required to maintain the actuarial soundness of the plan.

	2007-08 Actual	2008-09 Actual	2009-10 Budget	2010-11 Budget	% of Total	% Change from 2009-10
Beginning Balance	\$ 241,148,539	206,914,587	209,561,086	237,787,445	-	-
Revenues/Sources						
Investment Income	(39,659,943)	(4,584,040)	17,600,000	22,881,000	46.9%	30.0%
Miscellaneous Revenues	21,143,427	25,111,444	28,011,359	25,951,382	53.1%	(7.4%)
Total Revenues	(18,516,516)	20,527,404	45,611,359	48,832,382	100.0%	7.1%
Expenditures/Uses						
General Gov. Services	15,717,436	17,880,905	17,385,000	22,870,800	100.0%	31.6%
Total Expenditures	15,717,436	17,880,905	17,385,000	22,870,800	100.0%	31.6%
Excess (Deficit)	(34,233,952)	2,646,499	28,226,359	25,961,582		
Ending Balance	\$ 206,914,587	209,561,086	237,787,445	263,749,027		
Percent Change		-	1.3%	13.5%	10.9%	

Note(s):

The Police and Fire Pension Fund is a relatively young plan, which means that pension benefit payments are low in comparison to the contributions made into the plan.

The fund balance for fiscal year 2007-08 decreased by \$34.2 million (14.2%). The largest component of the decrease came from investment losses of \$39.6 million.

The fiscal year 2008-09 fund balance showed a modest increase of 1.3% despite continuing but lesser market losses thanks to increased contributions.

The fiscal year 2009-10 fund balance reflects a \$28.2 million or 13.5% increase due to an anticipated \$22.2 million increase in investments income based on an 8% rate of return and a \$2.6 million increase in City contribution.

The fiscal year 2010-11 fund balance is expected to increase by \$26.0 million, \$2.3 million below the fiscal year 2009-10 expected surplus due primarily to a \$5.3 million increase in investment income, a \$1.7 million decrease in City contribution related to pension plan changes, and a \$5.8 million increase in retirement benefits.