

Projected Changes in Fund Balances - Fund 657 Other Post Employment Benefits

To account for the accumulation of resources for the payment of retiree health and life insurance benefits. The City contribution represents the amount required to maintain the actuarial soundness of the plan.

	2008-09 Actual	2009-10 Actual	2010-11 Budget	2011-12 Budget	% of Total	% Change from 2010-11
Beginning Balance	\$ 2,688,520	8,546,235	19,942,156	24,154,849	-	-
Revenues/Sources						
Investment Income	332,346	923,921	1,034,000	1,007,300	9.5%	(2.6%)
Miscellaneous Revenues	10,451,067	14,442,588	9,549,580	9,635,367	90.5%	0.9%
Total Revenues	10,783,413	15,366,510	10,583,580	10,642,667	100.0%	0.6%
Expenditures/Uses						
General Government Service	4,925,698	3,970,589	6,370,887	7,376,427	100.0%	15.8%
Total Expenditures	4,925,698	3,970,589	6,370,887	7,376,427	100.0%	15.8%
Excess (Deficit)	5,857,715	11,395,921	4,212,693	3,266,240		
Ending Balance	\$ 8,546,235	19,942,156	24,154,849	27,421,089		
Percent Change	-	133.3%	21.1%	13.5%		

Note(s):

This fund was established as a result of GASB Standard 45 to recognize and account for "Other Post Employment Benefits Other Than Pension." The effective date of implementation was fiscal year 2007-08. The City is required to actuarially fund its health and life insurance costs for retirees over the working life of the employee, similar to a pension fund. The plan includes Charter School employees. The Other Post Employment Benefits (OPEB) Fund remains a relatively young plan, which means that the current claims are lower than the contributions being made into the plan.

The fund balance for fiscal year 2008-09 increased by \$5.9 million due to the City's efforts to fund a greater portion of the Annual Required Contribution (ARC).

The fund balance for fiscal year 2009-10 increased by \$11.4 million, an increase larger than the prior year's, despite the discontinuation of the OPEB benefit to bargaining members of the General Employees Union who retire after July 1, 2010. Some of the increase resulted from an additional contribution of \$5.0 million in excess of the ARC.

The fund balance for fiscal year 2010-11 is anticipated to increase by \$4.2 million. Miscellaneous Revenues consist of City contributions of \$9.1 million, a reduction from the \$13.8 million contributed in the prior year, and \$0.3 million in retiree contributions to their health insurance plan.

The fund balance in fiscal year 2011-12 is expected to increase by \$3.3 million. The City's contribution remains relatively level at \$9.2 million, an increase of \$0.1 million over last year. Expenditures are expected to increase by \$1.0 million: \$0.1 million in health premiums and \$0.9 million in health claims.