

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

This fund accounts for the accumulation of resources for the payment of health and life insurance benefits to retirees. The City contribution represents the amount required to maintain the actuarial soundness of the plan.

	2009-10 Actual	2010-11 Actual	2011-12 Budget	2012-13 Budget	% of Total	% Change from 2011-12
Beginning Balance	\$ 8,546,235	19,942,156	26,294,516	29,560,756	-	-
Revenues/Sources						
Investment Income	923,921	(637,227)	1,007,300	3,712,000	26.8%	268.5%
Miscellaneous Revenues	14,442,588	12,214,922	9,635,367	10,124,795	73.2%	5.1%
Total Revenues	15,366,509	11,577,695	10,642,667	13,836,795	100.0%	30.0%
Expenditures/Uses						
General Government Service	3,970,589	5,225,335	7,376,427	8,069,970	100.0%	9.4%
Total Expenditures	3,970,589	5,225,335	7,376,427	8,069,970	100.0%	9.4%
Excess (Deficit)	11,395,920	6,352,360	3,266,240	5,766,825		
Transfers In	-	-	-	-		
Transfers Out	-	-	-	-		
Ending Balance	\$ 19,942,155	26,294,516	29,560,756	35,327,581		
Percent Change	-	31.9%	12.4%	19.5%		

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 City is required to fund its health and life insurance costs for retirees over the working life of the employee, similar to a pension fund. The plan includes employees of the City's Charter Schools. The Other Post Employment Benefits (OPEB) Fund remains a relatively young plan, which explains why current claims are lower than the contributions being made into the plan.

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 year-end contribution from the General Fund of \$5.0 million in excess of the Annual Required Contribution.

The fund balance for fiscal year 2010-11 increased by \$6.4 million. Investment returns incurred a loss of \$0.6 million for the year, while expenses were well below budgeted levels.

The fund balance in fiscal year 2011-12 is expected to increase by \$3.3 million. The City's contribution is expected to be \$1.8 million below the prior year. Expenditures are expected to increase by \$2.2 million due mainly to anticipated increases in health claims.

Investment returns for 2012-13 are projected to increase to \$3.7 million from the \$3.3 million realized year-to-date in the current year through August. Expenditures are expected to increase at 9.4% and the fund balance to be augmented by \$5.8 million.