

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

This fund accounts 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 using an investment-return assumption of 8%.

| | 2010-11 Actual | 2011-12 Actual | 2012-13 Budget | 2013-14 Budget | % of Total | % Change from 2012-13 |
|----------------------------|-----------------------|--------------------|--------------------|--------------------|---------------|--------------------------|
| Beginning Balance | \$ 235,574,058 | 235,326,337 | 292,723,464 | 322,184,223 | - | - |
| Revenues/Sources | | | | | | |
| Investment Income | (4,039,092) | 55,339,998 | 28,460,000 | 32,150,000 | 52.4% | 13.0% |
| Miscellaneous Revenues | 26,357,870 | 26,936,317 | 28,134,759 | 29,190,341 | 47.6% | 3.8% |
| Total Revenues | 22,318,778 | 82,276,315 | 56,594,759 | 61,340,341 | 100.0% | 8.4% |
| Expenditures/Uses | | | | | | |
| General Government Service | 22,566,499 | 24,879,188 | 27,134,000 | 28,680,000 | 100.0% | 5.7% |
| Total Expenditures | 22,566,499 | 24,879,188 | 27,134,000 | 28,680,000 | 100.0% | 5.7% |
| Excess (Deficit) | (247,721) | 57,397,127 | 29,460,759 | 32,660,341 | | |
| Transfers In | - | - | - | - | | |
| Transfers Out | - | - | - | - | | |
| Ending Balance | \$ 235,326,337 | 292,723,464 | 322,184,223 | 354,844,564 | | |
| Percent Change | - | 24.4% | 10.1% | 10.1% | | |

Note(s):

The Fire and Police Pension Fund, like that for General City employees, is a relatively young plan, which explains why pension benefit payments are low in comparison to the contributions currently being made into the plan.

The fiscal year 2010-11 fund balance reflected a deficit of \$0.2 million due largely to a \$4.0 million loss in investment returns.

The fiscal year 2011-12 fund balance increased by \$57.4 million thanks to a favorable upswing of \$59.4 million in investment returns partially offset by a \$2.3 million increase in pension cost.

The projected 2012-13 surplus of \$32.7 million includes a City contribution of \$22.9 million. The \$32.7 million surplus projected for 2013-14 includes a City contribution of \$23.9 million. Both years are expected to increase the fund balance by 10.1%, compounding.