

**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.

	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Budget	% of Total	% Change from 2012-13
<b>Beginning Balance</b>	\$ 19,942,156	26,294,516	34,847,440	40,614,265	-	-
<b>Revenues/Sources</b>						
Investment Income	(637,227)	4,431,389	3,712,065	3,710,000	27.9%	(0.1%)
Miscellaneous Revenues	12,214,922	10,375,279	10,124,730	9,592,000	72.1%	(5.3%)
<b>Total Revenues</b>	<b>11,577,695</b>	<b>14,806,668</b>	<b>13,836,795</b>	<b>13,302,000</b>	<b>100.0%</b>	<b>(3.9%)</b>
<b>Expenditures/Uses</b>						
General Government Service	5,225,335	6,253,744	8,069,970	8,898,467	100.0%	10.3%
<b>Total Expenditures</b>	<b>5,225,335</b>	<b>6,253,745</b>	<b>8,069,970</b>	<b>8,898,467</b>	<b>100.0%</b>	<b>10.3%</b>
Excess (Deficit)	6,352,360	8,552,924	5,766,825	4,403,533		
Transfers In	-	-	-	-		
Transfers Out	-	-	-	-		
<b>Ending Balance</b>	<b>\$ 26,294,516</b>	<b>34,847,440</b>	<b>40,614,265</b>	<b>45,017,798</b>		
<b>Percent Change</b>	<b>-</b>	<b>32.5%</b>	<b>16.5%</b>	<b>10.8%</b>		

**Note(s):**

By the GASB accounting standards required for governmental entities, the City is required to fund its health and life insurance costs for retirees over the working life of the employee, similar to that of 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 OPEB benefit has been discontinued for bargaining members of the General Employees Union who retire after July 1, 2010.

The fund balance increased by \$11.4 million in 2009-10, 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. Fiscal Year 2011-12 also showed an increase as investment income recovered, although expenses also increased significantly (\$1.0 million, 20%).

The fund balance in fiscal year 2012-13 is expected to increase by \$5.8 million. The City's contribution of \$9.4 million is expected to be \$0.2 million more than that of the prior year. Expenditures are expected to increase by \$1.8 million over 2011-12 due mainly to anticipated increases in health claims.

Investment returns for 2013-14 are projected to be basically the same as those of 2012-13. Expenditures are expected to increase about 10% (\$0.8 million), and the fund balance to be augmented by \$4.4 million.