



Legislation Text

File #: 18-668, **Version:** 1

TO: Mayor and Commissioners
FROM: Kimberly Ferrell, Finance Director
THROUGH: Mark R. Lauzier, City Manager
DATE: October 16, 2018

RESOLUTION NO. 125-18 BUDGET AMENDMENT

Recommended Action:

Motion to approve Resolution No. 125-18 amending the FY 2018/19 adopted budget to fund additional required pension contributions in the current year. This amendment will utilize \$2,280,135 of fund balance to fund additional contributions to the Police Officers' and Firefighters' Retirement Systems which resulted from a change in the actuarial assumptions and a required adjustment for pre-paid contributions as well as the application of the state contributions.

Background:

The Police Officers' and Firefighters' Retirement System Actuarial Valuation Reports as of October 1, 2016 were based on an assumed return of 8%. This assumed return was reduced to 7.25% in both Police Officers' and Firefighters' Retirement System Actuarial Valuation Reports as of October 1, 2017 (for contributions year ending September 30, 2019). These reduced return assumptions were passed by the Police and Fire Pension Boards in separate meetings on September 13, 2018. This action has resulted in an additional \$1,976,252 to the required contribution.

There is also a required contribution adjustment for the pre-paid contributions and the application of the state contributions. These two adjustments will result in an additional contribution for FY 18/19 of \$303,883 and will true up prior contributions to the actuarial valuation as of October 1, 2017 (for contributions year ending September 30, 2019).

Funding Source/Financial Impact:

Resolution No. 125-18 will be funded from General Fund unassigned fund balance.

Timing of Request:

This request is time sensitive. Payment of pension contributions early in the fiscal year reduces the amount of required contribution due to the availability of funds for investment.

Attachments:

Resolution No. 125-18
Fund Balance Analysis