

LRB-FISCAL REVIEW SECTION ANALYSIS

FEBRUARY 6, 2002 AGENDA

ITEM 13, FILE 011332

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #011332 is a resolution appropriating monies from the 2002 Common Council Contingent Fund to the Policemen's Pension Fund – Employers Share of Employee's Annuity Contribution Account.

Background

1. The Policeman's Annuity and Benefit Fund (PA&BF) administers pensions for city police officers employed prior to July 30, 1947. Police officers hired on or after that date are members of the Employees' Retirement System.
2. Chapter 35 of the City Charter defines the benefits guaranteed to PA&BF members and the funding obligations of the City. The City is required under Chapter 35 to make an annuity contribution to the PA&BF
3. The PA&BF actuary determines the annuity contribution amount required to maintain member's benefits.
4. As of August 1, 2001 the PA&BF had 285 annuitants and spouses.
5. As February 1, 2002, the 2002 Common Council Contingent Fund balance was \$5,268,408.

Discussion

1. The \$7,554 provided in the 2002 Budget as the City's annuity contribution to the PA&BF should have been added to \$345,405 provided for the Employer's Pension Contribution. The 2002 Budget did not provide the \$5,000 required as the City's annuity contribution.
2. The PA&BF has no funds available to absorb the shortfall.

Fiscal Impact

The resolution authorizes the transfer of \$5,000 from the 2002 Common Council Contingent Fund to the PA&BF-Employer's Share of Employee's Annuity Contribution account.

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