

LRB-RESEARCH AND ANALYSIS SECTION

FINANCE AND PERSONNEL COMMITTEE

ITEM 14, FILE 071293

January 31, 2008

MARYE TURK

File 071293 is a resolution appropriating \$56,972 from the Contingent Fund for the required contribution to amortize the former Policemen's Annuity and Benefit Fund (PABF) unfunded pension liability.

Background

1. Governance and investment responsibilities relating to the Policeman's Annuity and Benefit Fund were shifted to the Annuity and Pension Board of the Employees' Retirement System (ERS) in 2005.
2. The City is required to make a contribution to the former Policeman's Annuity and Benefit Fund to amortize the unfunded pension liability determined by the Fund's actuary.
3. The Annuity and Pension Board engaged Buck Consultants to determine the Policeman's Annuity and Benefit Fund's unfunded pension liability for the purposes of determining the City's required contribution for 2008.
4. Buck Consultants reported that the fund's unfunded actuarial liability was \$371,279, that the fund's funded ratio was 93.8%, and that based on an annual 8.5% investment return assumption, that the required 2008 contribution is \$56,972.

Fiscal Effect

1. The resolution results in an appropriation of \$56,972 from the 2008 Contingent Fund.

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2008