



MEMORANDUM

TO: CITY COUNCIL

THROUGH: CITY MANAGER JUDIE ZIMOMRA

FROM: SYLVIA EDWARDS, FINANCE DIRECTOR

DATE: JANUARY 3, 2012

RE: PENSION CONTRIBUTIONS

BACKGROUND

During adoption of the FY2012 budget Council approved \$3 million to pay down the pension plans' unfunded actuarial accrued liabilities (UAAL). The payments will decrease the General Employees' Pension Plan UAAL by \$2 million dollars and the Municipal Police Officers' Retirement Trust Fund UAAL by \$1 million. Although included in the budget, these expenditures were to be brought back to Council for payment approval in FY2012.

RECOMMENDATION

At this time staff recommends proceeding with the pension payments as budgeted.

In addition the General Employees' Pension Board of Trustees has scheduled a special meeting on January 18, 2012 at 10:30 a.m. in MacKenzie Hall to consider changes to the return assumption for the October 1, 2011 actuarial evaluation report as recommended by the Florida Division of Retirement.

The Plan's actuary, Foster & Foster, will provide a cost analysis for presentation at the special meeting to look at the following:

- a. A lump sum deposit toward the UAAL of either \$2.5 million or \$3 million
- b. A reduction in the investment return assumption from 7.5% to 7.25% or 7.0%
- c. A combination of the above two items

This information will be provided on the City Council's February 7, 2012 agenda.

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