



## MEMORANDUM

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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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