




Office of the City Manager

CONSENT CALENDAR
September 10, 2013

To: Honorable Mayor and Members of the City Council
 From:  Christine Daniel, City Manager
 Submitted by: Robert Hicks, Director, Finance
 Subject: Safety Members' Pension Fund Annual Reports for FY 2010, 2011, and 2012

RECOMMENDATION

Accept the Safety Members Pension Fund (SMPF) annual reports for fiscal years ended June 30, 2010, 2011, and 2012.

FISCAL IMPACTS OF RECOMMENDATION

None.

CURRENT SITUATION AND ITS EFFECTS

On June 25, 2013, the SMPF Board held its annual meeting, reviewed and approved the SMPF annual reports for the fiscal years ended June 30, 2010, 2011 and 2012.

In accordance with Ordinance No. 6,551-N.S., the annual reports of the SMPF for FY 2010, 2011 and 2012 are being submitted to Council for acceptance.

BACKGROUND

SMPF is a single employer defined benefit pension plan for fire and police officers who retired prior to March 1973. It is a closed plan and is administered by the Safety Members Pension Board. The benefit plan covers only uniformed personnel and only those who elected not to transfer to PERS.

As of June 30, 2012, there were twenty-two (22) retirees and beneficiaries receiving benefits. Sixteen (16) of these were retired firefighters and police officers, and they became members of the fire or police pension systems prior to June 16, 1944. These pensioners belong to a fluctuating pension system and they are entitled to a pension salary that is calculated as a percent of current salaries for their former position, plus the current dollar value of the following four benefits: uniform allowance, dental insurance, family medical insurance and holiday pay.

There is a second group of pensioners, 6 retired fire and police personnel (or their survivors) who joined the workforce subsequent to June 16, 1944 and retired from service prior to March 1973, who were permitted a maximum 3% annual cost of living increase (fixed basis). These 6 fixed retiree's pension benefits had increasingly fallen

behind the larger group's pension award because the larger group was provided a fluctuating cost of living award.

For the year ended June 30, 2012, the City's annual required contribution was \$1,338,800 and was equal to the benefit payments and professional services cost during the fiscal year. The City contributed this amount for the fiscal year with \$539,000 paid from the annuity purchased from Massachusetts Mutual and \$799,800 paid from the General Fund.

For the year ended June 30, 2011, the City's annual required contribution was \$1,554,837 and was equal to the benefit payments and professional services cost during the fiscal year. The City contributed this amount for the fiscal year with \$596,000 paid from the annuity purchased from Massachusetts Mutual and \$958,837 paid from the General Fund.

For the year ended June 30, 2010, the City's annual required contribution was \$1,666,559 and was equal to the benefit payments and professional services cost during the fiscal year. The City contributed this amount for the fiscal year with \$665,168 paid from the annuity purchased from Massachusetts Mutual and \$1,001,391 paid from the General Fund.

CONTACT PERSON

Marvin Tam, Accounting Manager, 981-7332

Attachments:

1. SMPF Annual Reports for FY 2010, FY 2011 and FY 2012
2. SMPF Board Meeting Agenda (without attachments)
3. Summary of Activity in SMPF for FY 2010, FY 2011 and FY 2012
4. SMPF Actuarial Valuation Reports for the Respective Fiscal Years: FY 2010, FY 2011 and FY 2012
5. Pension Payments as of July 1, 2010, July 1, 2011 and July 1, 2012