

Agenda Report

January 10, 2011

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Director of Finance

SUBJECT: FUND RESERVE POLICY

RECOMMENDATION:

It is recommended that the City Council approve in concept, changes to the Fund Reserve Policy.

BACKGROUND:

In 1999, City Council approved the Cash Management and Cash Reserve Policy. At that time, past policies and best practices were discussed, expanded, updated, and modified to include other funds. Periodically, staff brings forward the issue of reserves for City Council consideration and direction. During the 2008 review, a recommendation was made to increase the General Fund reserves to 10% with the adoption of the Fiscal Year 2009 budget.

In 2009, the Government Finance Officers Association (GFOA) updated its recommended best practices to stipulate that a formal policy establish the level of unrestricted fund balance that should be maintained in the General Fund. This policy should include a temporal framework and specific plans for increasing or decreasing the level of unrestricted fund balance when the amount varies from the policy. While the adequacy of unrestricted funds in the General Fund should be assessed based on the City's own unique circumstances, GFOA recommends that the General Fund maintain, at a minimum, no less than two months of operating revenues or operating expenditures, depending on which measure is more predictable. This is about 16.67 percent of General Fund expenditures.

The Reserve Policy is designed to focus on the City's ability to meet its short-term and long-term obligations. The policy is designed to assist the City should it experience significant swings in cash flows due to economic cycles and unanticipated emergencies. As the City's current General Fund policy calls for a 10 percent cash reserve and this is

less than the GFOA recommended minimum of 16.67 percent, it is recommended that the City take steps to increase this reserve to 20 percent.

According to the best practices recommendation, in establishing a policy governing the level of unrestricted fund balance in the General Fund, a number of factors should be considered, including:

- The predictability of revenues and expenditures. As numerous revenue sources have been impacted by the economic downturn, a larger reserve should be considered.
- The City's perceived exposure to significant one-time or ongoing outlays, such as, natural disasters, immediate capital needs, and state budget cuts.
- The potential drain upon general fund resources from other funds as well as the available resources from other funds may require a higher or lower level of unrestricted fund balance be maintained. The future funding of the Fire and Police Retirement Fund and the possibility of reduced transfers from the Light and Power Fund and Water Fund need to be considered.
- Liquidity (i.e. the disparity between when financial resources actually become available to make payments and the average maturity of related liabilities may require that a higher level of resources be maintained).
- Commitments and assignments (i.e., maintenance of higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the City for a specific purpose).

Pasadena is one of only a few Cities in California to maintain a AAA bond rating. Maintenance of this rating is a high priority. In a survey of other California cities with a AAA rating, their General Fund unrestricted reserve levels range from 13 to 50 percent. The City of Glendale has set their minimum reserve at 30 percent with a target of 50 percent. Burbank has established a 15 percent working capital reserve and a 5 percent emergency reserve.

The attached Fund Reserve Policy document provides policy statements that establish targeted goals for the General Fund and thirteen other funds. Increasing the General Fund Reserve Policy is recommended to assist with maintaining the City's AAA rating and as a method to preserve City services in times of economic downturns. Four significant changes are proposed: increasing the General Fund reserve from 10 to 20 percent, setting aside one month of working capital in the Library Fund, increasing the Water Fund reserve from one to two months, and budgeting for the Annual Required Contribution for the City's Other Post Employment Benefits.

Also attached is a matrix summarizing the current policy, the proposed policy, and an explanation of the change or no change for each fund with a stated policy.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through the update of the Fund Reserve Policy.

FISCAL IMPACT:

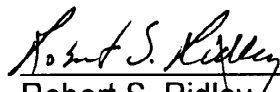
The fiscal impact of this policy is to provide for adequate cash and fund balances to ensure that the City meets its cash flow obligations, maximizes earnings on investments, minimizes borrowing, provides for future contingencies, and maintains the highest credit rating on its bonds.

Respectfully submitted,



ANDREW GREEN
Director of Finance

Prepared by:



Robert S. Ridley
Controller

Approved by:



MICHAEL J. BECK
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City of Pasadena

Subject: Fund Reserve Policy	Administering Department: Finance	Policy Number:
Prepared By: Finance Department	Approved By: City Council	Effective Date: January 10, 2011

The focus of this reserve policy document is to conform to municipal industry best practices for the establishment and maintenance of adequate operating reserves for selected funds of the City of Pasadena. It is intended that these policies serve as guidelines and goals to be used in the establishment of the City's annual budget and that some deviation from the target levels can be anticipated in certain circumstances, such as in an economic downturn, as reflected in the City's current General Fund Fiscal Year 2014 Financial Plan.

DISCUSSION

The term "reserves" is also referred to as "fund balance" or "retained earnings" within a fund. It represents the net assets that are available after liabilities. "Reserves" also vary in liquidity. The liquidity spectrum ranges from cash and short-term receivables, which are very liquid, to long-term receivables, which are much less liquid. For the purpose of this policy, the term "reserves" are supported by cash or receivables and designed to focus on the City's ability to meet its short-term and long-term obligations and to ensure that the City maintains the highest credit quality possible. In addition, this policy is designed to assist the City as it experiences significant swings in cash flows due to economic cycles as well as unanticipated emergencies. Cash reserves may be in the form of actual cash or investments and does not refer to any other form of current or long-term assets such as receivables, inventory, or equipment. This is an important distinction because any given City fund may have a large fund balance on the balance sheet but no cash to support it. The City needs to maintain adequate cash balances to be able to meet its ongoing obligations.

The City pools its cash for investment purposes and permits temporary, short-term internal borrowing between funds to meet cash requirements at different points during the fiscal year. It is clearly recognized, however, that each fund must be able to stand on its own and fulfill the obligations for which it was established. The appropriate size of the reserve for a specific fund depends upon several factors. These include:

1. Timeliness of the cash flow stream;
2. Current economic environment influencing the revenue and expenditure stream throughout the fiscal year, and
3. Anticipated economic outlook which will influence future revenues, expenditures, and asset and liability additions and retirements.

Cash is segregated into the separate funds either as a requirement of the City's charter, a City ordinance, state regulation, grant requirement, or due to operating

policies as a means to set aside funding for specific purposes either currently identified or anticipated. The Department of Finance maintains over 120 separate funds on behalf of the City, its affiliated agencies, operating companies and commissions.

There are a number of general concepts that are important in the development and maintenance of an effective reserve policy. The following concepts are applicable to all funds.

GENERAL CASH MANAGEMENT

- A. The City will seek to maintain a diversified and stable revenue base to protect from short-term fluctuations in any one revenue source.
- B. To emphasize and facilitate long-range financial planning, the City will maintain at least five-year financial projections of revenues and expenditures for its General Fund and selected funds.
- C. To achieve important public policy goals, the City has established various special revenue, capital project, debt service, and enterprise funds to account for revenues whose use is restricted to certain activities. Accordingly, each fund exists as a separate financing entity from other funds with its own revenue sources, expenditures, and fund equity.

Any operating transfers between funds for operating purposes can only be made by the Director of Finance in accordance with the adopted budget. These operating transfers, which consist of financial resources being permanently transferred from one fund to another, are distinctly different from inter-fund borrowings, which are usually made for temporary cash flow reasons and are not intended to result in a permanent transfer of financial resources by the end of the fiscal year. Consequently, operating transfers result in a change in fund equity, whereas inter-fund borrowings do not, due to the intent to repay the loan in the near term. Occasionally, inter-fund borrowings may be appropriate. Other than temporary borrowing of cash, however, it is the policy of the City to obtain formal authorization from the City Council for inter-fund loans, notes, or advances. Authorization is required if the borrowing is of a long-term nature, expecting to exceed one year. Existing inter-fund borrowing that will be repaid over a period exceeding one year will be exempt and grandfathered into the policy unless otherwise directed by the City Council. Specifically,

- 1. The Director of Finance is authorized to approve temporary inter-fund borrowings for cash flow purposes whenever the cash shortfall is expected to be resolved within 360 days. The most common use of inter-fund borrowing under this circumstance is for grant programs like the Community Development Block Grant where costs are incurred before a drawdown is initiated and received. The receipt of funds, however, is typically shortly after the request for funds has been made.
- 2. Any other inter-fund borrowing for cash flow or other purposes require case-by-case approval by the City Council.

3. Any transfers between funds where reimbursement is not expected within one fiscal year shall not be recorded as inter-fund borrowings but rather as inter-fund operating transfers that affect equity by moving financial resources from one fund to another.

The following policies focus on selected City funds, including funds where the City Council has significant discretion. The policy will not address funds which have been established to track specific grants or funds which are highly restricted. The recommended policy may focus on either the maintenance or use of certain cash reserves. Reference to the current year appropriations, operating expenses, capital expenditures, or expenses are all meant to refer to current year adopted budget numbers.

RESERVE POLICIES

GENERAL FUND – (101)

Purpose: The General Fund is used to account for all general revenue of the City not specifically levied or collected for other City funds and for expenditures that are related to the rendering of general services by the City.

Policy: The General Fund should maintain a 20 percent reserve fund balance of current year appropriations. At least 10 percent of appropriations should be in liquid cash. This percentage is to be applied against the entire General Fund appropriation at a minimum. This amount shall be designated as an emergency reserve to guard against economic downturns or other unforeseen events that are expected to be long-term (three or more years).

BUILDING SERVICES FUND - (204)

Purpose: The Building Services Fund accounts for the operations of the Permit Center including all revenues and expenditures associated with issuing various building permits.

Policy: The Building Services Fund should maintain a 10 percent working capital reserve balance applied against the entire Building Services Fund current year appropriation. Building Services revenues can be very volatile due to changes in development and construction activities. As a result, maintaining a 10 percent working capital reserve will minimize the need to draw upon the General Fund to support these activities.

SEWER CONSTRUCTION AND MAINTENANCE FUND – (205)

Purpose: The Sewer Construction and Maintenance Fund accounts for revenues received from sewer use and storm drain charges collected for the construction, repair and maintenance of the City's sewer and storm drain system.

Policy: The Sewer Construction and Maintenance Fund should maintain a working capital reserve equal to one month of current year operating appropriations. Additional cash reserves should be maintained to cover anticipated capital expenditures that will not be financed through the issuance of debt. This should be based upon a pre-developed capital improvement schedule. Given the current predictability of the sewer utility's cash flow, staff believes that a one month working capital reserve will be adequate to cover routine unanticipated operating expenditure requirements. In addition, setting additional funds aside for anticipated capital requirements will provide more stable rates and greater surety for funding of specific projects.

LIBRARY SERVICES FUND – (212)

Purpose: The Library Services Fund accounts for the operations of the City's public libraries and is comprised of funding from both a special voter approved parcel tax and the General Fund.

Policy: The Library Services Fund should maintain a one month working capital reserve of current year appropriations. Any draws against the reserve should be to cover increased costs to maintain service levels or to cover one-time operational requirements. Amounts necessary to maintain the one month working capital reserve should be addressed through allowable reduction in expenses or additional General Fund transfers. The Library Services Fund receives 20 percent of its funding from the special library tax and 80 percent from the General Fund. Revenues in excess of expenditures are placed in the Library Services fund balance. The growth in the special tax is specified in the voter approved ballot measure. To ensure adequate funding for library services during the life of the tax, the working capital reserves must be carefully managed. Amounts in excess of those needed to meet this policy may be used to reduce future General Fund transfers. This policy is not intended to conflict with or override Pasadena Municipal Code Section 4.109.185.

LIGHT AND POWER FUND – (401)

Purpose: The Light and Power Fund accounts for the operations of the City's electric utility, a self-supporting activity which renders services on a user charge basis to residents and businesses as prescribed by the City Charter.

Policy: The Light and Power Fund should maintain working capital reserves equal to two months current year operating appropriations. An Energy Reserve and a Transmission Reserve were established in 2006 to mitigate energy cost volatility. Additional cash balances shall also be maintained to cover anticipated capital expenditures which will not be financed. This should be based upon a pre-developed capital improvement schedule. Given the current predictability of the electric utility's cash flow, a two month working capital reserve will be adequate to cover normal operating expenditure requirements. In addition, setting additional funds aside for anticipated capital requirements will

provide more stable rates and greater surety for funding of specific projects. This policy does not address the Reserve for Stranded Investment which will be maintained separate and apart from the normal Light and Power Fund reserve. No changes are proposed at this time.

WATER FUND - (402)

Purpose: The Water Fund accounts for the operations of the City's water utility, a self-supporting activity which renders services on a user charge basis to residents and businesses as prescribed by the City charter.

Policy: The Water Fund should maintain working capital reserve equal to two months current year operating appropriations. This represents an increase over the prior policy requiring a 30-day cash reserve. It is likely to take a number of years to transition to this higher and more prudent level. Additional cash balances should also be maintained to cover anticipated capital expenditures which will not be financed. This should be based upon a pre-developed capital improvement schedule. Given the current predictability of the water utility's cash flow, a two month cash reserve will be adequate to cover normal operating expenditure requirements. In addition, setting additional funds aside for anticipated capital requirements will provide more stable rates and greater surety for funding of specific projects.

REFUSE COLLECTION FUND – (406)

Purpose: The Refuse Collection Fund accounts for the operations of the City's refuse collection program, a self-supporting activity which renders services on a user charge basis to residents and businesses.

Policy: The Refuse Collection Fund should maintain working capital reserves equal to one month current year operating appropriations. In addition, additional cash balances should be maintained to cover anticipated capital expenditures which will not be financed. Given the current predictability of the refuse cash flow, staff believes that a one month working capital reserve will be adequate to cover normal operating expenditure requirements. In addition, setting additional funds aside for anticipated capital requirements will provide more stable rates and greater surety for funding of specific projects.

COMPUTING AND COMMUNICATION SERVICES FUND - (501)

Purpose: The Computing and Communication Services Fund accounts for all operations of the Department of Information Technology, which includes services such as the service center providing help desk support for employees and City Council, desktop and enterprise computing, networks, application services, Geographical Information Services, program and project management, training, radio communications, telephone, wireless, and voice services.

Policy: The Computing and Communication Services Fund should maintain a working capital reserve for emergency equipment requirements equal

to 10 percent of the annual operating budget for the current fiscal year. In addition, adequate cash balances should be maintained to replace computer hardware, software, infrastructure, and communication equipment based upon a pre-established replacement schedule. This schedule should be reviewed annually and updated as needed as part of the annual budget cycle. This will avoid the need for the General Fund or any other operating fund to raise large sums of cash in any single fiscal year. On a case-by-case basis, decisions will be made either to finance capital purchases or pay cash for them. If any given purchase is financed, then the rates for the subsequent fiscal year(s) would incorporate adequate cash flow to cover the debt service replacement of equipment.

BUILDING MAINTENANCE FUND - (502)

Purpose: The Building Maintenance Fund accounts for housekeeping and structural maintenance of City buildings and for paying the utility bills and property insurance for all City buildings.

Policy: The Building Maintenance Fund should maintain a working capital reserve equal to 10 percent of current year operating appropriations. Rates charged by Public Works must be adequate to ensure that current revenues are sufficient to cover all current expenditures. The working capital reserve will be used to cover any extraordinary and unanticipated expenses during the fiscal year. Rates charged to departments may need to be adjusted to accommodate cash requirements. A long-term maintenance schedule and funding plan should be developed by the Public Works department. This plan should be reviewed and updated annually during the budget process.

FLEET MAINTENANCE FUND - (503)

Purpose: The Fleet Maintenance Fund accounts for the maintenance, repair, and replacement of City vehicles and equipment.

Policy: The Fleet Maintenance Fund should maintain a \$250,000 cash reserve balance. In addition, adequate cash balances should be maintained to replace vehicles and equipment based upon a pre-established replacement schedule. The Fleet Maintenance Fund has developed a replacement schedule for City vehicles and equipment. Occasionally, vehicles have to be replaced outside the normal schedule. The working capital reserve will help address these unforeseen circumstances.

BENEFITS FUND – (504)

Purpose: The Benefits Fund accounts for employee compensated absences, retirement, and health benefits.

Policy: The Benefits Fund should maintain a 100 percent cash reserve to cover its short-term accounts payable and accrued liability obligations and a 50 percent cash reserve to cover its long-term employee obligations for compensated absences. This fund covers the amount of vacation, floating holiday, and overtime accrued to employees

throughout the City. It is not expected that the City will have to cover 100 percent of these liabilities in any single fiscal year. For this reason, maintaining a 50 percent cash reserve balance should provide adequate coverage. Additionally, the City should develop a funding plan and budget for the Annual Required Contribution (ARC) of other post employment benefits as actuarially determined annually per requirements of GASB 43 and GASB 45. If the reserves are drawn upon in any given year, they would be replenished in the subsequent year(s) through an adjustment in the rates charged to the various departments.

WORKERS' COMPENSATION FUND – (506)

Purpose: The Workers' Compensation Fund accounts for the disbursement of self-insured workers' compensation related expenses and approved payments in settlement of claims.

Policy: The Workers' Compensation Fund should maintain a 70 percent cash reserve to cover its projected claims payable obligations. The projected liability recorded each year on the City's financial statements is based upon known and anticipated claims filed by employees of the City. It is highly unlikely that all claims would become due and payable at once. In addition, the City budgets an amount each year it estimates will be necessary to cover that year's costs and claim payments. By maintaining a 70 percent cash reserve balance, the City should have adequate available funding in the event of any unusual activities. If the reserves are drawn upon in any given year, they would be replenished in the subsequent year(s) through an adjustment in the rates charged to the various departments.

GENERAL LIABILITY FUND – (507)

Purpose: The General Liability Fund accounts for the disbursement of general liability claims against the City.

Policy: The General Liability Fund should maintain a 70 percent cash reserve to cover its projected claims payable obligations. The projected liability recorded each year on the City's financial statements is based upon known and anticipated claims filed against the City. It is highly unlikely that all claims would become due and payable at once. In addition, the City budgets an amount each year it estimates will be necessary to cover that year's costs and claim payments. By maintaining a 70 percent cash reserve balance, the City should have adequate available funding in the event of any unusual activities. If the reserves are drawn upon in any given year, they would be replenished in the subsequent year(s) through an adjustment in the rates charged to the various departments.

CITY OF PASADENA MAJOR FUND RESERVE POLICY RECOMMENDATION JANUARY 10, 2011										
CAFR FUND	FUND DESCRIPTION	CURRENT POLICY	MEETS CURRENT POLICY	PROPOSED POLICY	CHANGE FROM CURRENT POLICY	PROPOSED FUND BAL.		EXCEEDS (SHORT OF) GOAL (MILLIONS)	MEETS PROPOSED POLICY	UNRESTRICTED CASH BALANCE 6/30/2010 (MILLIONS)
						AMOUNT TO MEET POLICY (MILLIONS)	AVAILABLE 6/30/2010 (MILLIONS)			
101	General Fund	10% of General Fund Appropriations	Yes	20% of total appropriations; Minimum of 10% of total appropriations as cash	Change-Increase from 10 to 20%	45.8	45.2	(0.6)	No	\$41.7
204	Building Services Fund	10% working capital cash reserve balance applied against full fund appropriation. In addition maintain a cash reserve balance adequate to cover automation and technology.	No	10% working capital cash reserve balance applied against full fund appropriation. In addition maintain a cash reserve balance adequate to cover automation and technology.	No Change	0.6	(1.6)	(2.2)	No	(\$1.3)
205	Sewer Construction and Maintenance Fund	30 day reserve-Prior year expenditures times 1/12th, plus additional cash for anticipated capital expenditures	Yes	Working capital reserve of one month of operating expenses (8.33%); Additional cash reserves to cover capital expenditures that will not be covered by issuing debt.	Minor Change-prior year to current year expenses	3.3	4.2	0.9	Yes	\$3.7
283	Library Services Fund	Any draw against Reserve to cover increased costs or to cover one-time operational requirements. Any ending fund balance may be credited to following year to minimum General Fund threshold.	Yes	Working capital reserve of one month. Amounts in excess of this requirement may be used to reduce future general fund transfer. Does not modify Municipal Code Section 4.109.185	Change-Hold 1/12th in reserve	1.0	0.7	(0.3)	No	\$1.1
302	Charter Capital Fund	Maintain reserves that will be built up and be maintained to meet the timing of planned capital projects. Interest earnings shall be used to help offset General Fund debt service requirements on bonds for qualified capital projects.	Yes	Maintain reserves that will be built up and be maintained to meet the timing of planned capital projects. Interest earnings shall be used to help offset General Fund debt service requirements on bonds for qualified capital projects.	No Change	5.5	5.5	0.0	Yes	\$5.5
401	Light and Power Fund	60 days of projected expenses less depreciation; Energy Reserve; Transmission Reserve; Contingency & Equipment Replacement Reserve; Unexpended Bond Proceeds; PBC Reserve; Capital Reserve. (Adopted May 15, 2006)	Yes	60 days of projected expenses less depreciation; Energy Reserve; Transmission Reserve; Contingency & Equipment Replacement Reserve; Unexpended Bond Proceeds; PBC Reserve; Capital Reserve. (Adopted May 15, 2006)	No Change	112.7	141.1	28.4	Yes	\$101.0
402	Water Fund	30 days cash reserve (1/12th of prior year expenditures) and additional cash to cover anticipated capital expenditures which will not be financed.	No	Working capital reserve of two months of operating expenditures (16.67%). It is recognized that this will likely take a number of years to transition to this higher and more prudent level. Additional cash balances shall be maintained to cover anticipated capital expenditures which will not be financed.	Change-Increase to 2 months rather than 1 month & prior year to current year expenses	12.8	1.4	(11.4)	No	\$2.3
406	Refuse Collection Fund	30 days working capital (1/12th of prior year expenditures) and additional cash to cover anticipated capital expenditures which will not be financed.	Yes	Working capital reserve of one month of operating expenses (8.33%); additional cash reserves to cover anticipated capital expenditures that will not be financed.	Minor Change	1.1	2.8	1.7	Yes	\$4.6

CITY OF PASADENA MAJOR FUND RESERVE POLICY RECOMMENDATION JANUARY 10, 2011									
CAFR FUND	FUND DESCRIPTION	CURRENT POLICY	MEETS CURRENT POLICY	PROPOSED POLICY	CHANGE FROM CURRENT POLICY	AMOUNT TO MEET POLICY (MILLIONS)	PROPOSED FUND BAL.		UNRESTRICTED CASH BALANCE 6/30/2010 (MILLIONS)
							AVAILABLE 6/30/2010 (MILLIONS)	EXCEEDS (SHORT) OF GOAL (MILLIONS)	
501	Computing and Communication Services Fund	\$250,000 cash reserve at the beginning of each fiscal year for emergency equipment replacement needs and adequate cash balances for replacements equipment based on a pre-established replacement schedule.	Yes	Working capital reserve of 10% of annual operating budget; additional cash reserves to replace computer hardware, software, infrastructure, and communications equipment based upon pre-established replacement schedule.	Change	1.3	2.9	1.6	\$3.4
502	Building Maintenance Fund	10% working capital cash reserve balance applied against full fund appropriation.	No	Working capital reserve of 10% of operating expenses; rates charged must be adequate so that current revenues cover all current expenditures. Annual funding plan update as part of Budget process.	Minor Change-prior year to current year expenses	1.0	(1.5)	(2.5)	(\$1.2)
503	Fleet Maintenance Fund	\$250,000 cash reserve and adequate cash balances to replace vehicles and equipment based on a pre-established replacement schedule.	Yes	\$250,000 cash reserve and adequate cash balances to replace vehicles and equipment based on a pre-established replacement schedule.	No Change	0.25	2.4	2.2	\$3.7
504	Benefits Fund	100% cash reserve to cover short-term accounts payable and accrued liabilities and 75% cash reserve to cover long-term employee obligations for compensated absences.	No	100% cash reserve to cover short-term accounts payable and accrued liabilities, 50% cash reserve to cover long-term employee obligations for compensated absences, and budget for the Annual Required Contribution for other post employment benefits.	Change-Reduce cash reserve on long-term employee obligations from 75% to 50% and fund or partially fund OPEB ARC	19.7	(16.3)	(36.0)	\$3.7
506	Workers' Compensation Fund	75% cash reserve to cover projected claims payable.	No	70% cash reserve to cover projected claims payable.	Change-Reduce cash reserve from 75% to 70%	12.0	(7.3)	(19.3)	\$10.3
507	General Liability Fund	75% cash reserve to cover projected claims payable.	No	70% cash reserve to cover projected claims payable.	Change-Reduce cash reserve from 75% to 70%	5.3	1.0	(4.3)	\$2.6
COMMENTS REGARDING FUND:									
101 General Fund. While it appears that the General Fund is only \$600,000 short of accomplishing the new goal, approximately \$20 million will be utilized to cover deficit spending in the City's Fiscal Year 2014 Financial Plan.									
504 Benefits Fund. While this fund shows a fund balance deficit, it has sufficient cash to meet current obligations. Approximately \$7 million of the deficit is from unfunded Other Post Employment Benefits.									
506 Worker's Compensation Fund. This fund has sufficient cash to pay current liabilities.									