

Agenda Report

TO: City Council

DATE: March 22, 2004

FROM: Fire & Police Retirement Board

SUBJECT: Direction to prepare an Ordinance amending the Municipal Code to Implement an Increased Benefit to Retiring Members of The Fire And Police Retirement System.

RECOMMENDATION:

The Fire and Police Retirement Board is recommending that the City Council direct the City Attorney to prepare an Ordinance amending the Municipal Code to implement a Credit for Unused Sick Leave Provision for police and fire members of the Police and Fire Retirement System that is consistent with the benefit provided to the fire and police members of the California Public Employees Retirement System (CALPERS). The effective date of this amendment is anticipated to be retroactive to November 3, 2003.

BACKGROUND:

The Credit for Unused Sick Leave provision was provided to fire and police members of CALPERS pursuant to Ordinance No. 6933.1, effective November 3, 2003. The attached Ordinance is required to provide the same credit for unused accumulated sick time to members of the City of Pasadena Fire and Police Retirement System.

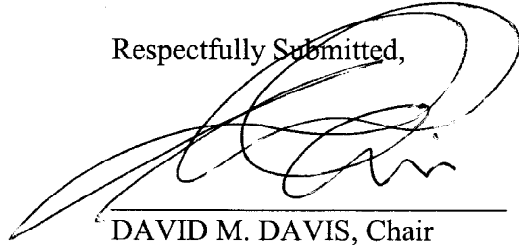
This benefit provides an enhanced retirement benefit by allowing unused accumulated sick leave to be converted to additional service credit at time of retirement, at the rate of .004 year of service credit for each day of unused sick leave.

FISCAL IMPACT:

The Fire and Police Retirement Board received an actuarial valuation report dated November 17, 2003 (Attached). This report suggests that the present value liability to the system will increase from \$200,577,096 to \$200,734,318 or \$77,223 as a result of this benefit increase. This changes the funding level of the Plan as of June 30, 2002 from 61.4% to 61.3%

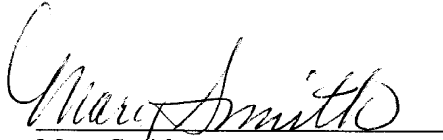
This budget increase would result in the City's Supplemental contribution to the System to increase from \$6,038,106 to \$6,061,344, an increase of \$23,288 for fiscal year 2004.

Respectfully Submitted,

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DAVID M. DAVIS, Chair
Fire & Police Retirement Board

Prepared by:

A handwritten signature in black ink, appearing to read 'Mary Smith', written over a horizontal line.

Mary Smith
Secretary to the Board