

RESOLUTION 2010-31

RESOLUTION OF THE CITY OF ST. PETE BEACH, ENCOURAGING THE POLICE AND FIRE PENSION BOARDS TO ADOPT A LOWER RATE OF ASSUMED EARNINGS.

WHEREAS, for approximately the last ten years the rate of return on investments has averaged far below the 8 1/2% assumption rate established by the Police and Fire Pension Boards; and

WHEREAS, a higher assumed earnings rate keeps the current City contribution lower, is has contributed to a considerable increase in unfunded accrued actuarial liability (debt) totaling approximately \$12M for both plans; and

WHEREAS, the proposed change does not increase the overall cost of the pension benefit, and

WHEREAS, the proposed change does not increase nor decrease any pension benefit, and

WHEREAS, the proposed change does positively address the solvency of the overall pension plans by requiring approximately \$250,000 more funding for FY 2011/2012 that would otherwise add to the current unfunded liability of those plans.

NOW THEREFORE, be it resolved by the City Commission of the City of St. Pete Beach:

1. The City Commission encourages the Police and Fire Pension Boards to consider lowering their assumed earnings rate to 8% to be more in line with recent and expected future experience and no longer use an inflated rate that has contributed to huge increases in plan debt.
2. The City Commission would also encourage the Police and Fire Pension Boards to make the change effective 9/30/2010.

INTRODUCED AND PASSED by the City Commission of St. Pete Beach, Pinellas County, Florida on this 23rd day of November 2010.



Mike Finnerty, Mayor

ATTEST:



Pamala Prell, Acting City Clerk