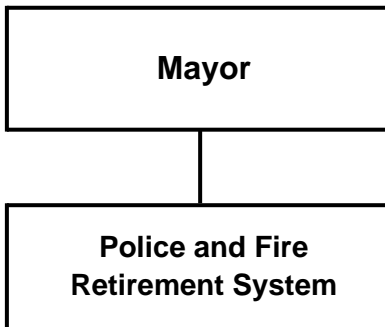


Appendix O

Police and Fire Retirement System



Police and Fire Retirement System

Purpose

To carry out administration of retirement benefits for current and future retirees and beneficiaries of the Police and Fire Retirement System, in accordance with provisions contained in AMC 3.85 for the exclusive benefit of the members by prudently managing and investing Plan assets.

Description of System

Police and Fire Retirement System is comprised of three retirement plans, all of which were created for the purpose of encouraging qualified personnel to enter and remain in the service of the Municipality of Anchorage as police officers and firefighters through the establishment of a system of retirement, disability and death benefits for members, participants and their beneficiaries. This system is intended to be a contractual relationship in accordance with the provisions of Article XII, Section 7, of the Constitution of Alaska.

The members are separated into three plans:

- Plan I for members employed on or before June 30, 1977
- Plan II for members employed on or after July 1, 1977, and before April 17, 1984
- Plan III for members employed on or after April 17, 1984 and prior to May 25, 1994

No other person is eligible to participate in the system. Re-employed or rehired members shall, at the time of employment, be required to participate in the State of Alaska Pension Plan (PERS) and are not eligible to again participate in the retirement system.

The system was set up to operate on the investment earnings of the Trust fund but, because of losses incurred due to market conditions in 2008, the Municipality has been making annual contributions from the Police and Fire departments to bring the fund back to fully funded/self-sustaining.

The Trust is administered by a nine-person board of trustees.

The management of the Trust Fund and payment of retirement benefits are reported in Contractual/Other Services but are not budgeted or appropriated. The operating budget for the administration of the System is appropriated as a section with the GGOB (see page T – 4, Section 9).

Police and Fire Retirement System Department Summary

	2011 Actuals	2012 Revised	2013 Approved	13 v 12 % Chg
Direct Cost by Division				
Police and Fire Retirement System Administration	31,261,374	917,680	898,032	<2.14%>
Direct Cost Total	31,261,374	917,680	898,032	<2.14%>
Intragovernmental Charges				
Charges by Other Departments	57,218	58,052	58,668	1.06%
Function Cost Total	31,318,591	975,732	956,700	<1.95%>
Program Generated Revenue	(8,662,579)	(6,570,055)	(10,309,412)	56.92%
Net Cost Total	22,656,012	(5,594,323)	(9,352,712)	67.18%
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Direct Cost by Category				
Personnel	488,202	494,790	507,391	2.55%
Supplies	2,599	2,500	2,631	5.24%
Travel	-	40,000	39,990	<0.03%>
Contractual/OtherServices	30,766,336	364,390	333,520	<8.47%>
Debt Service/Depreciation	4,236	6,000	4,500	<25.00%>
Equipment, Furnishings	-	10,000	10,000	-
Direct Cost Total	31,261,374	917,680	898,032	<2.14%>
<hr/>				
Position Summary as Budgeted				
Full-Time	9	3	3	
Part-Time	3	1	1	
Position Total	12	4	4	

The position count represents the allocation of work among the four actual positions in this department rather than the loss or gain of positions.

Police and Fire Retirement System
Division Summary
Police and Fire Retirement System Administration
(Dept ID # 1710, 1721, 1722, 1723)

	2011 Actuals	2012 Revised	2013 Approved	13 v 12 % Chg
Direct Cost by Category				
Salaries and Benefits	488,202	494,790	507,391	2.55%
Supplies	2,599	2,500	2,631	5.24%
Travel	-	40,000	39,990	<0.03%>
Contractual/Other Services	30,766,336	364,390	333,520	<8.47%>
Equipment, Furnishings	-	10,000	10,000	-
Manageable Direct Cost Total	31,257,137	911,680	893,532	<1.99%>
Debt Service, Depreciation	4,236	6,000	4,500	<25.00%>
Direct Cost Total	31,261,374	917,680	898,032	<2.14%>
Revenue by Fund				
Fund 715 - Police/Fire Retirement Trust	8,662,579	6,570,055	10,309,412	56.92%
Revenue Total	8,662,579	6,570,055	10,309,412	56.92%

Positions as Budgeted

	2011 Revised		2012 Revised		2013 Approved	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Director	3	-	1	-	1	-
Retirement Specialist I	3	-	1	-	1	-
Retirement Specialist IV	3	3	1	1	1	1
Positions as Budgeted Total	9	3	3	1	3	1

The position count represents the allocation of work among the four actual positions in this department rather than the loss or gain of positions.

Police and Fire Retirement System
Division Detail
Police and Fire Retirement System Administration
(Dept ID # 1710, 1721, 1722, 1723)

	2011 Actuals	2012 Revised	2013 Approved	13 v 12 % Chg
Direct Cost by Category				
Salaries and Benefits				
1101 - Straight Time Labor	280,646	311,450	316,926	1.76%
1201 - Overtime	524	300	300	-
1301 - Leave/Holiday Accruals	37,812	5,211	5,305	1.81%
1401 - Benefits	169,220	177,829	184,859	3.95%
Salaries and Benefits Total	488,202	494,790	507,391	2.55%
Supplies	2,599	2,500	2,631	5.24%
Travel	-	40,000	39,990	<0.03%>
Contractual/Other Services	30,766,336	364,390	333,520	<8.47%>
Equipment, Furnishings	-	10,000	10,000	-
Manageable Direct Cost Total	31,257,137	911,680	893,532	<1.99%>
Debt Service, Depreciation	4,236	6,000	4,500	<25.00%>
Direct Cost Total	31,261,374	917,680	898,032	<2.14%>
Intra-Governmental Charges				
Charges by Other Departments	57,218	58,052	58,668	1.06%
Program Generated Revenue				
9601 - Contributions Other Funds	8,563,000	6,239,875	9,999,659	60.25%
9631 - Employee Contribution to PFRS	417,108	330,180	309,753	<6.19%>
9745 - Gain Sale Of Investments	18,713,075	-	-	-
9761 - Cash Pools Short-Term Int	1,356	-	-	-
9765 - Other Interest Income	4,415,523	-	-	-
9766 - Dividend Income	1,151,373	-	-	-
9767 - Unrealized Gains & Losses	(24,670,871)	-	-	-
9798 - Miscellaneous Revenues	72,015	-	-	-
Program Generated Revenue Total	8,662,579	6,570,055	10,309,412	56.92%
Net Cost				
Manageable Direct Cost	31,257,137	911,680	893,532	<1.99%>
Debt Service, Depreciation	4,236	6,000	4,500	<25.00%>
Charges by Other Departments	57,218	58,052	58,668	1.06%
Program Generated Revenue	(8,662,579)	(6,570,055)	(10,309,412)	56.92%
Net Cost Total	22,656,012	(5,594,323)	(9,352,712)	67.18%