



TO: Mayor Gorton and the Urban County Council
 FROM: Abigail Allan
 CC:
 DATE: October 2, 2024
 SUBJECT: City Employees' Pension Fund Annuity Increase/ Ordinance Amendment

Request:

Authorization to amend Section 6-53 of the Code of Ordinances to provide for a three percent (3%) increase, effective January 1, 2025, to each retiree or beneficiary's base annuity. The increase will apply to all annuity payments made after January 1, 2025. The pension is a "closed" fund, and as of September 2024, there are 7 retirees and 19 beneficiaries participating in the fund, which is over 500% funded.

Why are you requesting?

On July 30, 2024, the Board voted unanimously to increase the base annuity pay to provide a 3% annuity increase to retirees, and beneficiaries, participating in the City Employee's Pension Fund. The prior COLA increase was approved in 2023, and the Ordinance is attached for reference (O-139-2023). The projected financial impact listed in the table below is based on the most recent data available:

	Current Scenario	Base Adjustment Increase 5.0%
Nominal Dollars of Projected Payments²	\$ 7,933,546	\$ 8,330,223
Actuarial Accrued Liability¹	\$ 5,528,531	\$ 5,804,961
Funded Ratio¹	578.7%	551.1%
Liability Defeasing Portfolio³	\$ 5,689,682	\$ 5,974,170



What is the cost in this budget year and future budget years?

The cost for this FY is:

The cost for future FY is:

Are the funds budgeted?

The funds are budgeted or a budget amendment is in process: Funds are fully budgeted

Account number: 5002-505004-0001-6XXXX

File Number: 1006-24

Director/Commissioner: Allan/Hamilton

