

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: June 25, 2015

File: BIS 15 – 228

File: TMP-2015-00297

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, DENYING THE REQUEST OF THE BOARD OF TRUSTEES OF THE HOLLYWOOD EMPLOYEES RETIREMENT FUND, TO APPROVE FUNDING OF THE SUPPLEMENTAL DISTRIBUTION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012.

Statement of Budget Impact:

1. ☐ No Budget Impact associated with this action;
2. ☐ Sufficient budgetary resources identified/available;
3. ☒ Budgetary resources not identified/unavailable;
4. ☐ Potential Revenue is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

Explanation:

Approval of this resolution would result in denying the request of the Board of Trustees of the Hollywood Employees Retirement Fund to approve funding for the 2012 Supplemental Distribution or "13th check" to members of the Hollywood Employees Retirement Fund for the fiscal year ending on September 30, 2012.

As determined by the Plan's actuary, there are 831 retirees that would be eligible to share in the 2012 Supplemental Distribution of approximately \$4,299 million. As a result, the unfunded accrued liability of the retirement plan would be significantly increased. Moreover, the City's annual required contribution to the retirement plan would increase by \$1,073,182 in the first year if the resulting increase in the unfunded accrued liability is amortized over a five year period. The individual eligible retiree would receive between \$27.35 to \$8,545.59 depending upon the individual retiree's years of service.

No funding has been identified in the adopted FY 2015 Operating Budget for the anticipated costs to be incurred should funding be approved for the 2012 Supplemental Distribution.

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