

SOURCE OF FUNDS:

General Fund \$1,156,000
 Retirement Fund \$1,228,254
 State Gas Tax Fund \$5,000
 Refuse Fund \$94,600
 Shop Fund \$1,600
 Separation Benefits Fund \$460,000
 General Liability Fund \$500
 Workers' Compensation Fund \$500
 Water Fund \$278,000
 Prop A Fund \$5,500
 Maintenance District Fund \$15,000

CITY OF MONTEREY PARK
PROGRAM SUMMARY

DEPARTMENT: Non-Department
ACTIVITY: Post-Employment Administration
ACTIVITY NO.: 5102

<u>SUMMARY OF COST</u>	<u>Actual 2003-04</u>	<u>Adopted 2004-05</u>	<u>Year-End Estimated 2004-05</u>	<u>Proposed 2005-06</u>	<u>Adopted 2005-06</u>
PERSONNEL COST	\$1,782,369	\$1,541,200	\$1,592,173	\$1,541,113	\$1,476,113
SERVICES & SUPPLIES	455,132	978,195	998,042	1,268,841	1,768,841
CAPITAL OUTLAY	0	0	0	0	0
TOTAL COSTS	\$2,237,501	\$2,519,395	\$2,590,215	\$2,809,954	\$3,244,954
AUTHORIZED FULL- TIME EQUIVALENT POSITIONS	0	0	0	0	0

Program Description

Separation Benefits

The Separation Benefits Internal Service Fund provides an ongoing method of financing the costs associated with employee separation from City service. Upon separation, an employee is entitled to compensation for accrued vacation, holiday, compensation time earned in-lieu of overtime; upon retirement, an employee is entitled to the aforesaid plus a percentage of his or her accrued sick leave depending on provisions of their particular bargaining unit.

Charges are made to City departments to pay for operating expenses as well as to fund outstanding liabilities of the Separation Benefits Fund. Liabilities and charges per employee for the Separation Benefits Fund are as follows:

		<u>Fund Liability</u>	<u>Department Charge Per Employee</u>
2004-05	Estimated	4,770,000	2,398
2005-06	Projected	4,985,000	2,518

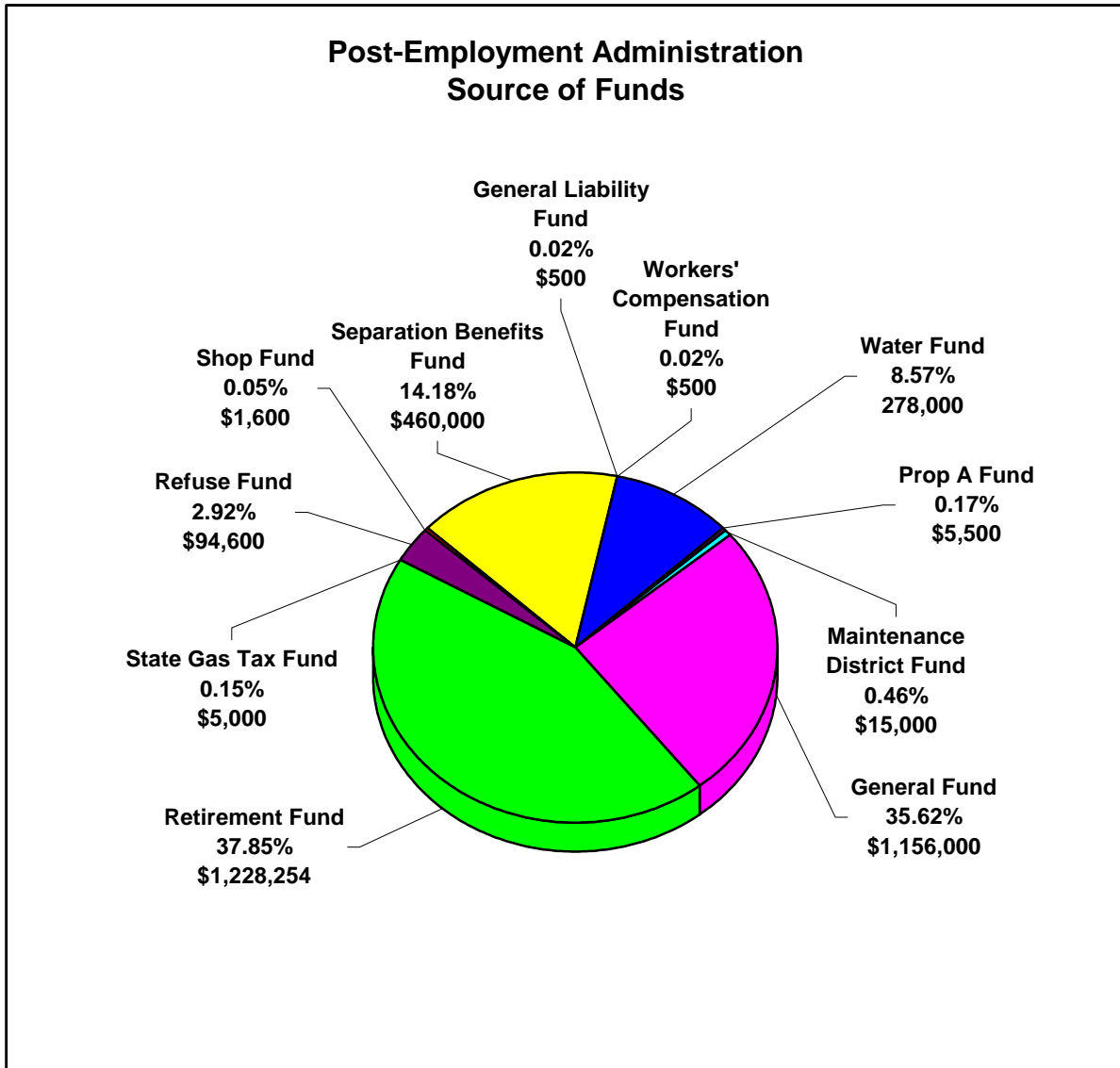
Post-Employment Benefits

The costs of retiree medical insurance premiums are presented in this activity, as are contributions to the Massachusetts Mutual Retirement Plan. Administrative and actuarial fees for retirement plan administration are also presented herein. Post-employment benefit medical costs are funded on a pay-as-you-go basis. The Massachusetts Mutual Retirement Plan predates the commencement of the City's participation in the California Public Employees' Retirement System (CalPERS) in 1976. The Plan provides partial retirement benefits for miscellaneous employees over age 55 at April 1, 1976. There are over 184 vested retirees eligible for City-paid medical benefits and 98 vested members in the Massachusetts Mutual Retirement Plan.

PRIMARY PROGRAM EXPENDITURE EXPLANATIONS

1. Salary Set-Aside category (#1160) represents savings of \$50,000 on one-month recruitment freeze from vacant non-safety positions and \$65,000 one-day Citywide furlough per Group B implementations.
2. Separation Benefits category (#1165) includes sick leave and vacation pay-off per MOU's, and employee service separation.
3. Benefits category (#1233/1270) contains funding for payment of retirees' medical premiums, \$905,000 and Massachusetts Mutual retirement plan funding, \$190,413.
4. Contracted Services category (#3100) contains \$20,000 for actuarial services pertaining to retirement program administration.
5. Insurance category (#3500) displays Unemployment Reimbursement budget, \$26,000.
6. Debt Service category (#4200) is the annual debt service payment for the Pension Obligation Bonds. The Pension Obligation Bonds were issued in 2004 to refinance the unfunded liabilities of the PERS Public Safety Pension Plan. As a result of the Bonds, the pension costs in both the Police and Fire Departments have been reduced substantially. The debt service payment for the bonds is considered as part of safety pension costs.

7. Administrative Overhead (#4445) represents a pension set-aside amount of \$700,000, including pension gap recommended actions of \$150,000 for Internal Service Fund charges reductions, \$50,000 for postponement of one-month recruitment, \$50,000 training reductions, \$270,000 Group B taskforce recommendations, \$100,000 parking fines, and \$80,000 General Fund transfer.



CITY OF MONTEREY PARK

PROGRAM DETAIL

DEPARTMENT: **Non-Department**

ACTIVITY: **Post-Employment Administration**

ACTIVITY NO.: **5102**

Classification	Actual 2003/2004	Adopted 2004/2005	Year-End Estimated 2004/2005	Proposed 2005/2006	Adopted 2005/2006
SALARIES					
1160 Salary Set-Aside	\$0	\$0	\$0	(\$50,000)	(\$115,000)
1165 Separation Benefits	752,455	485,200	536,173	495,700	495,700
TOTAL	\$752,455	\$485,200	\$536,173	\$445,700	\$380,700
EMPLOYEE BENEFITS					
1233 Retirees Medical	\$849,914	\$876,000	\$876,000	\$905,000	\$905,000
1270 Mass Mutual Retirement	180,000	180,000	180,000	190,413	190,413
TOTAL	\$1,029,914	\$1,056,000	\$1,056,000	\$1,095,413	\$1,095,413
SERVICES & SUPPLIES					
3100 Contracted Services	\$39,256	\$10,000	\$15,000	\$20,000	\$20,000
3500 Insurance	24,021	20,000	34,847	26,000	26,000
4200 Debt Service	391,855	948,195	948,195	1,022,841	1,022,841
4400 Misc Financial Serv	0	0	0	200,000	700,000
TOTAL	\$455,132	\$978,195	\$998,042	\$1,268,841	\$1,768,841
GRAND TOTAL	\$2,237,501	\$2,519,395	\$2,590,215	\$2,809,954	\$3,244,954