

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 010577)

RESOLUTION

Authorizing City Council's Legislative Oversight Committee to hold public hearings on the management, oversight, investment strategy, and growth of the City's municipal pension fund.

WHEREAS, The Board of Pensions and Retirement was created under the 1951 Philadelphia Home Rule Charter to maintain an actuarially sound municipal retirement system, utilizing twenty separate plans to provide benefits for all 31,000 active municipal employees and the nearly 32,000 retirees, as well as the employees of various quasi-public agencies; and

WHEREAS, State law requires that the cost of current pension obligations must be satisfied annually, and consequently the City in January 1999 issued a \$1.29 billion bond to reduce its unfunded pension obligation, which prior to the issuance stood at about \$2.6 billion, but there still remains a very large unfunded accrued liability; and

WHEREAS, The manner in which the pension board invest its funds is constrained by legal statutes, within a policy developed by the Pension Board and its consultants, and every effort must be made to maximize returns while minimize possible capital losses; and

WHEREAS, In recent years the pension fund's return has consistently been close to its benchmarks and targets, but concerns have been raised about several of the two dozen money management firms overseeing the investing, some who have underperformed compared to comparable index funds and some who may have been sanctioned by their governing bodies for infractions; and

WHEREAS, Proper management and oversight can ensure that our money management funds are obtaining the proper objectives, funds are invested in innovative and profitable manners, and all money management firms, especially those owned by minorities, have fair and equitable opportunities to demonstrate their competency; and

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WHEREAS, It is critical that the retirement funds of our municipal employees be invested properly to ensure that our retirees are properly compensated, as well as to ensure that the fiscal stability is never threatened by severely unfunded obligations; now therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That authority be given to the Legislative Oversight Committee to hold public hearings on the management, oversight, investment strategy, and growth of the City's municipal pension fund.

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CERTIFICATION: This is a true and correct copy of the original Resolution,
Adopted by the Council of the City of Philadelphia on the

Anna C. Verna
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Kenney

Sponsored by: Councilmembers Kenney, DiCicco, Nutter, Goode, Tasco,
Cohen, Rizzo, Ortiz, Clarke, Krajewski and Reynolds Brown