

City of Philadelphia



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

(Resolution No. 050146)

RESOLUTION

Authorizing City Council's Legislative Oversight Committee to hold public hearings on the status and future of the City's municipal pension fund's liabilities and obligations.

WHEREAS, The Board of Pensions and Retirement was created under the 1951 Philadelphia Home Rule Charter to maintain an actuarially sound municipal retirement system, and subsequent ordinances have created twenty separate plans providing 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, Like many pension funds across the country, over the past five years Philadelphia's has lost a great deal of value as a result of downturns in the stock market; and

WHEREAS, The City's current pension benefits are critical for attracting quality employees, yet also represent a major drain of City resources, with FY05 pension contributions projected at \$252 million, about eight percent of the General Fund budget; and

WHEREAS, The City has failed to meet its nine percent earnings goal on investments for the fifth year in a row, and as a result has had to make up the difference out of the City's general fund; and

WHEREAS, The fund's dramatic loss in value is expected to continue and have the effect of escalating the City's rate of contribution to \$423 million by FY08, which would result in a 101 percent increase since 1999; and

WHEREAS, This predicted strain on the City's budget combined with the large unfunded accrued liability, demands action and careful oversight to ensure that every effort is made to maximize returns and fully fund all obligations; and

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WHEREAS, Numerous economists from across the country have predicted an upswing in the stock market over the next five years, resulting in huge gains for the Dow Jones and the NASDAQ ;and

WHEREAS, It is in the City's interest to take advantage of any and all opportunities which could ensure the enduring stability of our retirement fund, to the benefit of all current municipal employees, retirees, and taxpayers; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Legislative Oversight Committee is hereby authorized to hold public hearings on the status and future of the City's municipal pension fund's liabilities and obligations.

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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 seventeenth of February, 2005.

Anna C. Verna
PRESIDENT OF THE COUNCIL

Patricia Rafferty
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Kenney

Sponsored by: Councilmembers Kenney, Nutter, DiCicco, Clarke, Rizzo, Reynolds Brown and Blackwell