

City of Philadelphia



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

(Resolution No. 020624)

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, The City's current pension benefits are critical for attracting quality employees, yet also represent a major commitment of City resources, with FY02 pension contributions projected at \$205 million, about seven percent of the General Fund budget; and

WHEREAS, In January 1999 the City of Philadelphia issued a \$1.29 billion bond which significantly reduced its unfunded pension obligation, which prior to the insurance stood at about \$2.6 billion; and

WHEREAS, Like many pension funds across the country, Philadelphia's has lost a great deal of value as a result of the stock market crash, estimated at approximately one billion dollars over the last three years; and

WHEREAS, The fund's sudden and dramatic loss in value 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

WHEREAS, It is critical that a long term strategy be articulated to ensure the enduring stability of our retirement fund, to the benefit of all current municipal employees, retirees, and taxpayers; now therefore

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.

City of Philadelphia

RESOLUTION NO. 020624 continued

CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the tenth of October, 2002.

Anna C. Verna
PRESIDENT OF THE COUNCIL

Marie B. Hauser
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Kenney, DiCicco and Rizzo

Sponsored by: Councilmembers Kenney, DiCicco, Rizzo, Cohen, Tasco, Miller, Nutter, Council President Verna, Goode, Blackwell and Krajewski