

Business Operations
Ofelia San Pedro, Deputy Superintendent

SUBJECT: RESOLUTION NO. 1, 2007-08 FIDUCIARY FUND – PENSION TRUST FINAL BUDGET REVIEW

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS

LINK TO DISTRICT STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES

In addition to participating in the Florida Retirement System, the School Board established an early retirement plan on July 1, 1984. The plan is non-contributory and is administered by an independent trustee.

All employees participating in the Florida Retirement System were eligible to participate in the Supplemental Early Retirement Plan (the "Plan"). Accordingly, the School Board's payroll for employees covered by the early retirement plan is the same as that for those employees covered by the system. Since July 1, 2003, no additional employees are permitted to be covered by the Plan.

The Plan was established in order to supplement an early retiree's benefits by the amount of reduction imposed by the Florida Retirement System. The program provides a supplemental income for those employees who retire between the ages of 55 and 61 and who have completed at least 25 years, but no more than 28 years, of creditable service.

The penalty is equal to a 5% reduction in benefits for each year prior to age 62 a person retires with less than 30 years creditable service. These benefit provisions and all other requirements are established by Florida Statute Section 121.011.

Required contributions to the Early Retirement Fund are established by a Board-appointed actuarial consultant and are expended in the funds making the contributions during the years contributed.

This resolution decreases revenues and ending fund balance as shown on the attached schedule to reflect actual 2007-08 results. The decrease in revenues is due to recording a \$3.1 million decrease in Fair Market Value of Investments, a decrease in interest of \$3.5 million and \$.6 million from contribution from other funds.

RECOMMENDED: That The School Board of Miami-Dade County, Florida adopt Resolution No. 1, the 2007-08 Fiduciary Fund - Pension Trust - Final Budget Review, decreasing revenues and appropriations by \$7,271,148 as shown on the schedule on page 2 of 2.

**SUMMARY OF REVENUES & APPROPRIATIONS
FIDUCIARY FUND - PENSION TRUST FUND (0871)**

	ADOPTED BUDGET 09/05/07	RESOLUTION NO. 1	AMENDED BUDGET 09/10/08
REVENUES			
Contributions From Other Funds	\$ 2,443,888	\$ (604,216)	\$ 1,839,672
Investment/Interest Income	4,600,000	(6,666,931)	(2,066,931)
Total Revenues	\$ 7,043,888	\$ (7,271,147)	\$ (227,259)
BEGINNING FUND BALANCE	<u>35,079,469</u>	-	<u>35,079,469</u>
TOTAL REVENUES AND BEGINNING FUND BALANCE	<u>\$ 42,123,357</u>	<u>\$ (7,271,147)</u>	<u>\$ 34,852,210</u>
APPROPRIATIONS			
Payments to Retirees	\$ 3,464,250	\$ 577,415	\$ 4,041,665
Other Expenses	19,803	(604)	19,199
Total Appropriations	\$ 3,484,053	\$ 576,811	\$ 4,060,864
FUND BALANCE - END OF YEAR			
Designated Fund Balance	<u>38,639,305</u>	<u>(7,847,959)</u>	<u>30,791,346</u>
TOTAL APPROPRIATIONS AND ENDING FUND BALANCE	<u>\$ 42,123,358</u>	<u>\$ (7,271,148)</u>	<u>\$ 34,852,210</u>