

**Budget Review Committee**  
**May 14, 2013**  
**Presentation to City Council**

**Eliot Finkel**  
**City Treasurer**

# Assumptions

Department	Police	Fire
Age Hired	20	20
Life Expectancy	79	79
Rate of Return	7.50%	7.50%
Number Safety Employees	128	79
Starting Salary	\$76,268	\$73,119
% Annual Increase	1.50%	1.50%
% Annual Benefit	3.00%	3.00%
Maximum Benefit	90%	90%
Minimum Retirement Age	50	50
Actual Retirement Age	50	50
Annual Salary at Retirement	\$119,213	\$114,291
Bonus	\$0	\$0
Final PERS Contribution	\$0	\$0
Basis for Retirement	\$119,213	\$114,291
Required Value at Retirement	\$1,254,901	\$1,203,088
Contribution Rate	13.70%	13.70%
Implied Value at Retirement	\$1,252,431	\$1,200,720
Total Annual Obligation	\$2,721,505	

# Assumptions (continued)

Department	Police	Fire
Age Hired	20	20
Life Expectancy	79	79
Rate of Return	4.60%	4.60%
Number Safety Employees	128	79
Starting Salary	\$76,268	\$73,119
% Annual Increase	1.50%	1.50%
% Annual Benefit	3.00%	3.00%
Maximum Benefit	90%	90%
Minimum Retirement Age	50	50
Actual Retirement Age	50	50
Annual Salary at Retirement	\$119,213	\$114,291
Bonus	\$0	\$0
Final PERS Contribution	\$0	\$0
Basis for Retirement	\$119,213	\$114,291
Required Value at Retirement	\$1,699,499	\$1,629,281
Contribution Rate	30.10%	30.10%
Implied Value at Retirement	\$1,696,768	\$1,626,710
Total Annual Obligation	\$5,979,365	

# Burning Money

Future Value	Years	Return	Present Value	Stocks	Bonds	Future Value
\$1,000,000	30	7.5%	-\$114,221	-\$114,221	\$0	
\$1,000,000	30	4.6%	-\$259,447	\$0	-\$259,447	
\$1,000,000	30	6.1%	-\$170,000	-\$70,000	-\$100,000	\$998,281
\$1,000,000	30	6.5%	-\$150,000	-\$86,000	-\$64,000	\$999,604