

Jonesboro Police Pension Fund

Millage Levy Presentation

Background

- Fund began in 1947.
- Monies provided by a millage tax passed by election.
- State law allows a maximum millage levy of one (1) mill.
- Tax requires an annual levy by the City Council.
- Millage decreased from one (1) mill to one-half (.5) mill in November 1984.
- Also funded by 10% of District Court fines.

Who is covered by the plan?

- All police officers hired prior to January 1, 1983 are covered.
- Monthly benefits are provided to retirees.
- In the event of death of a retiree, the monthly benefit is paid to the surviving spouse.
- Benefits are also paid for disability.

Administration of the Jonesboro Police Pension Plan

- Carried out by local board, elected by those who are covered.
- Investments managed by Stephens, Inc.
- Assets held in trust by Metropolitan Bank.
- City provides recordkeeping services and interacts with Pension Review Board of LOPFI.

Changes in actuarial assumptions

- Discount rate changed from 5% to 3%.
- Mortality tables used in assumptions changed.

Effect of changes in actuarial assumptions

- Changes in actuarial assumptions required a change in the employer contribution.
- Unfunded Accrued Liability increased \$3,036,656.
- Liability must be paid in five years, so annual change in contribution increased \$660,926.

Calculation of Millage Levy

Projected Tax Base Method

A. Total City Wide Tax Base

1. Real Property Assessed Value	\$	770,535,692
2. Personal Property Assessed Value		229,229,580
Total Assessed Value	\$	999,765,272

B. Anticipated Percentage of Collections 89.50%

C. Tax Base Included in Calculation \$ 894,789,918

D. Amount of Millage Required to Fund Contributions \$ 805,963

E. Millage Rate Required (D/C) 0.90