

SUBMITTED BY: Luis Pedroza, Deputy City Manager/City Treasurer

MANAGEMENT TEAM REVIEW: Ana Urquijo, City Manager

FOCUS AREA: Other / NA

**ORGANIZATIONAL
IMPROVEMENTS:**

SUBJECT: **RESOLUTION NO. 23-1536**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **ADOPTING** the City of Douglas 2023 **PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM PENSION FUNDING POLICY.**

EXECUTIVE SUMMARY:

ARS 38-863.01 requires each governing body with Public Safety Personnel Retirement System plans to annually adopt a pension funding policy and formally accept the employer's share of the assets and liabilities under the system based on the system's actuarial valuation report.

BACKGROUND:

On October 13, 2021, Mayor & Council passed a Pension Funding Policy for the City's Public Safety Personnel Retirement System plans. Subsequent policy adoptions are required to update actuarial status.

DISCUSSION:

As required by ARS 38-863.01, the intent of this policy is to clearly communicate the Council's pension funding objectives that address the following:

- (a) How to maintain stability of the governing body's contributions to the system.
- (b) How and when the governing body's funding requirements of the system will be met.
- (c) Defining the governing body's funded ratio target under the system and the timeline for reaching the targeted funded ratio.

In addition, the policy depicts the employer's share of the assets and liabilities under the system based on the system's latest actuarial valuation report.

After adoption, we are required to post the pension funding policy on our website and transmit the pension funding policy to the board.

Through this policy, Council agrees to continue to pay the annual required contribution (ACR) percentages set by PSPRS, as determined through annual actuarial valuations. The City's issuance of Taxable Pledged Revenue Obligations (PROs) to fund the plans at or close to 100% and the establishment of a Contingency Reserve Fund (CFR) to provide for additional contributions when the plans fall below 100% funding achieved its goal of being 100% funded with the plans.

Based on this, Council expects the PSPRS June 30, 2023 Actuarial Valuation reports to continue to be at or near 100% funding for the plans.

FISCAL IMPACT: None

Fiscal Year: 2022/2023

Amount Requested:

Budgeted: Y / N

Account (s):

“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE RESOLUTION NO. 23-1536.”