

**CITY OF GOODYEAR
COUNCIL ACTION REPORT**

SUBJECT: Adopt Public Safety Retirement System FY2020 Funding Policy	STAFF PRESENTER: Doug Sandstrom, Finance Director
	CASE NUMBER: None
	OTHER PRESENTER: None

PROPOSED ACTION:

Adopt the Public Safety Personnel Retirement System (PSPRS) FY2020 Pension Funding Policy.

BACKGROUND AND PREVIOUS ACTIONS:

With the 2018 passing of House Bill 2097, every governing body of a PRPRS plan is required to pass a Pension Funding Policy no later than June 30th of each year and post the policy on the governing body's website.

STAFF ANALYSIS:

To fulfill the new statutory requirement of Laws 2018, Chapter 122 the City must enact a policy to outline and communicate the Council's pension funding objectives as follows:

Beginning on or before July 1, 2019, each governing body of an employer shall annually:

1. Adopt a pension funding policy for the system for employees who were hired before July 1, 2017. The pension funding policy shall include funding objectives that address at least 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) Define the governing body's funded ratio target under the system and the timeline for reaching the targeted funded ratio.
2. Formally accept the employer's share of the assets and liabilities under the system based on the system's actuarial valuation report.
3. Post the pension funding policy on the governing body's public website.

The proposed City of Goodyear PSPRS FY2020 Pension funding policy is based upon the model policy created by the League of Arizona Cities to meet all of the requirements of state law. The proposed policy commits the city to funding annual contributions from operating revenues and further commits us to pre-pay contributions to maximize interest earnings to reduce our long term liability. Other elements to reduce our long term liability include a commitment to pay

100% of City funds budgeted for this purpose including funds tied to vacant positions and for employees in the DROP program for which no city contribution is required.

FISCAL ANALYSIS:

Adoption of this policy will formalize all of our current budgetary practices related to pension funding.

RECOMMENDATION:

Adopt the Public Safety Personnel Retirement System FY2020 Pension Funding Policy.

ATTACHMENTS:

1. PSPRS FY2020 Pension Funding Policy