



Order No. 2019-07-035

AN ORDER OF THE COUNCIL OF THE CITY OF NOGALES, ARIZONA, ADOPTING THE CITY'S PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM PENSION FUNDING POLICY AND ACCEPTING THE CITY'S SHARE OF THE ASSETS AND LIABILITIES UNDER THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM PENSION ACTUARIAL VALUATION REPORT. (FINANCE)

WHEREAS, the Arizona State Legislature passed House Bill 2097 in 2018 (Laws 2018, Chapter 112, Arizona Revised Statutes § 38-863.01), which requires the governing bodies of all Public Safety Personnel Retirement System (PSPRS) employers to adopt a pension funding policy and formally accept their share of the assets and liabilities based on the PSPRS actuarial valuation report by July 1, 2019 and annually thereafter; and

WHEREAS, the Mayor and Council desire to adopt a PSPRS pension funding policy to clearly communicate the City's pension funding objectives and its commitment to City employees and the sound financial management of the City and to comply with new statutory requirements of Laws 2018, Chapter 112.

NOW THEREFORE, BE IT ORDERED BY THE COUNCIL OF THE CITY OF NOGALES that:

1. The pension funding policy presented is hereby adopted and approved.

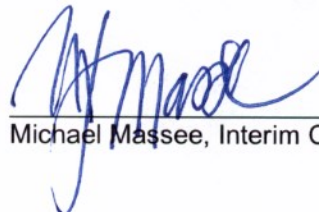
PASSED, ADOPTED, AND APPROVED by the Council of the City of Nogales, Arizona, this 03rd day of July, 2019.


Arturo R. Garino, Mayor

ATTEST:


Leticia Robinson, City Clerk

APPROVED AS TO FORM:


Michael Masee, Interim City Attorney

STAFF SUMMARY

SUBJECT: Public Safety Personnel Retirement System Pension Funding Police

BACKGROUND: 38-863.01. Pension funding policies; employers

A. 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) Defining 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.

B. The governing body shall post the pension funding policy on the governing body's public website.

TOTAL COST OF PROJECT(S): NA

COST & SOURCE OF FUNDING: NA

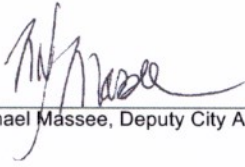
STATUTORY REQUIREMENTS, IF ANY: House Bill 2097 in 2018

PRIORITY OF PROJECT(S) FROM STAFF: HIGH

STAFF RECOMMENDATION: Approve funding policy as presented

SUGGESTED MOTION:

"I move to approve Order No: 2019-07-035"



Michael Masee, Deputy City Attorney

7/1/2019



Jeanette Parrales, Finance Director

7/1/2019



John Kissinger, Deputy City Manager

7/1/2019