

Attachment A

**THIS IS A DRAFT COPY ONLY AND IS NOT AN OFFICIAL COPY OF
THE FINAL, ADOPTED RESOLUTION**

RESOLUTION _____

A RESOLUTION TO INCREASE THE AMORTIZATION PERIOD FOR THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM PLAN AND TO ESTABLISH THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM RESERVE FUND.

WHEREAS the City of Phoenix employs members ("Members") of the Public Safety Personnel Retirement System ("System"); and

WHEREAS the System's enabling legislation, Arizona Revised Statutes ("A.R.S.") §§ 38-841 *et seq.*, requires the City of Phoenix to make contributions sufficient under actuarial valuations to meet both the normal cost for its Members hired before July 1, 2017 plus the actuarially determined amount required to amortize the unfunded accrued liability on a level percent of compensation basis for its Members (or participants as defined in A.R.S. § 38-865(7)(a)) over a closed period of not more than 20 years beginning July 1, 2017, as established by the System's board of trustees ("Board"), *except* in the event the City of Phoenix makes a one-time election (an "Election") to request that the Board use a closed period of not more than 30 years, so long as certain conditions are satisfied; and

WHEREAS to make a one-time Election to request that the Board apply a closed period of up to 30 years for the amortization of liability attributable to its

Members, the City of Phoenix must (i) adopt a resolution (“Resolution”) to request the longer amortization period and (ii) specify the actuarial valuation date for which the new amortization period begins, which date shall commence, at the City of Phoenix’s election, on the System’s fiscal year end (June 30) immediately before or immediately after the date of such Resolution; and

WHEREAS it is understood by the City of Phoenix that the employer contribution rate reflecting the chosen amortization period will be effective July 1 in the year following the chosen actuarial valuation date; and

WHEREAS as further condition to make the one-time Election, the City of Phoenix must submit a written request for the longer amortization period along with its adopted Resolution to the Board’s administrator (“Administrator); and

WHEREAS the City of Phoenix wishes to make an Election to increase its amortization period for its Members under the System to 30 years; and

WHEREAS the City of Phoenix has elected to specify that the actuarial valuation date for which its new amortization period begins shall be the System’s fiscal year end (June 30) immediately before the date of this Resolution; and

WHEREAS the City of Phoenix believes that increasing the amortization period for its Members under the System is in the public interest and the interest of its Members.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PHOENIX as follows:

SECTION 1. The period for amortizing the liability attributable to the City of Phoenix’s Members under the System shall be increased to 30 years.

SECTION 2. The increase in the amortization period will begin at the end of the System's fiscal year (June 30) immediately before the date of this Resolution, which increase will be reflected in the employer contribution rate to begin July 1 of the year following the chosen actuarial valuation date.

SECTION 3. The City of Phoenix through the City Manager will submit a written request for the above specified longer amortization period to the Board's Administrator.

SECTION 4. The City Manager is authorized to establish the Public Safety Personnel Retirement System Reserve Fund to hold any excess funds generated by the increased amortization period and any other funds designated by the City Council to be held in reserve to pay any City of Phoenix obligation to the System.

PASSED by the Council of the City of Phoenix this 21st day of June, 2017.

M A Y O R

ATTEST:

_____ City Clerk

APPROVED AS TO FORM:

_____ Acting City Attorney

REVIEWED BY:

_____ City Manager

AAB:vh;1310349v1; (LF17-3643) 6/21/17