

RESOLUTION NO. (R)15-24

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING AND APPROVING A ONE-TIME PAYMENT TO THE ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS) TO ADDRESS THE INCREASING UNFUNDED LIABILITY OF THE PLAN

WHEREAS, A.R.S. Title 38, Chapter 5, Article 4 and related statutes establish a Public Safety Personnel Retirement System; and

WHEREAS, in 2011, Senate Bill 1609 was enacted which changed the Permanent Benefit Increase (PBI) formula for cost of living adjustments provided to beneficiaries of the PSPRS plan; and

WHEREAS, in 2014 Senate Bill 1609 was ruled unconstitutional in the case of *Fields v. EORP* as the PBI's did not provide to retirees for three fiscal years. Employers must now recognize this unpaid liability beginning with the 2015/16 employer contribution rates; and

WHEREAS, the Town wishes to use a one-time, up-front payment to PSPRS in the amount of \$300,000 from the General Fund contingency reserves to minimize the future potential increases in recurring pension costs associated with unfunded liability; and

WHEREAS, it is in the best interest of the Town to approve a one-time payment to the Arizona Public Safety Personnel Retirement System to address the increasing unfunded liability of the plan.

NOW THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Oro Valley, that:

1. The one-time payment of \$300,000 from the General Fund contingency reserves to the Arizona Public Safety Personnel Retirement System to address the increasing unfunded liability of the plan is hereby authorized and approved.

PASSED, AND APPROVED by the Mayor and Council of the Town of Oro Valley Arizona, this 18th day of March, 2015.

TOWN OF ORO VALLEY

Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Sidles, Legal Services Director

Date: _____

Date: _____