

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
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*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

### **1. BILL SUMMARY**

**Legislation Title:**

A RESOLUTION amending Resolution 31334; establishing the City Council’s intent to fund the Seattle City Employees’ Retirement System (SCERS) as informed by the January 1, 2021, Actuarial Study.

**Summary and background of the Legislation:**

Per Resolution 31334 the City has committed to appropriate annually sufficient funds to make contributions to the retirement system to a level not less than the actuarial required contribution for that year as determined by the most recent actuarial valuation of the retirement systems liabilities. This resolution provides City Council approval of the 2022 contribution rate in compliance with Resolution 31334. The combined contribution rate for 2022 will stay consistent with the 2021 rate at 25.56 percent. The City’s portion of the combined contribution rate for 2022 will remain 16.10 percent of regular payroll into SCERS. This contribution rate is consistent with the recommendation of the SCERS Board of Administration as provided to the City Council under Seattle Municipal Code 4.36.505 A. It is the Board’s conclusion that this contribution rate is in the interest of funding stability and in anticipation of rising future contribution requirements due to expected downward changes to assumptions in the upcoming Experience Study in 2022. Therefore, it is prudent to maintain the 2021 Actuarially Required Contribution rate in 2022.

The City may elect to exceed the required contribution rate in any given year. In 2022, the minimum required Actuarial Contribution Rate is 15.33 percent with a combined contribution rate of 24.68 percent as determined by the January 1, 2021 Actuarial Valuation.

### **2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?**                     Yes  No

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?**                                     Yes  No

**Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

This legislation does not adjust appropriations, revenues, or positions. The 2022 contribution rate is captured through approval of the budget.

**Is there financial cost or other impacts of *not* implementing the legislation?**

Not implementing the full actuarially required contribution in 2022 would go against Council Resolution 31334, would place greater cost burden on the City and potentially members in future years to fund the pension system. Not meeting the required contribution would be reflected on the System's financial audit, valuation, and the City's CAFR.

**4. OTHER IMPLICATIONS**

**a. Does this legislation affect any departments besides the originating department?**

This legislation affects the City's contribution rate into the pension system.

**b. Is a public hearing required for this legislation?**

No.

**c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No

**d. Does this legislation affect a piece of property?**

No

**e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

No perceived impact on vulnerable or historically disadvantaged communities

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

No.

**2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

No.

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

N/A

List attachments/exhibits below: