



SEATTLE CITY COUNCIL

Legislative Summary

Res 31688

Record No.: Res 31688

Type: Resolution (Res)

Status: Adopted

Version: 1

Ord. no:

In Control: City Clerk

File Created: 07/22/2016

Final Action: 08/17/2016

Title: A RESOLUTION amending Resolution 31334; establishing the City Council's intent to fund the Seattle City Employees' Retirement System (SCERS) in accordance with the January 1, 2016, Actuarial Study.

Notes:

Date
Filed with City Clerk: 8/17/2016

Mayor's Signature: 8/16/2016

Sponsors: Burgess

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: patrick.wigren@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

Yes

No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Clerk	07/26/2016	sent for review	Council President's Office			
	Action Text: The Resolution (Res) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	07/27/2016	sent for review	Affordable Housing, Neighborhoods, and Finance Committee			
	Action Text: The Resolution (Res) was sent for review. to the Affordable Housing, Neighborhoods, and Finance Committee						
	Notes:						
1	Full Council	08/01/2016	referred	Affordable Housing, Neighborhoods, and Finance Committee			

Legislative Summary Continued (Res 31688)

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- 1 Affordable Housing, 08/03/2016 adopt Pass
Neighborhoods, and
Finance Committee
Action Text: The Committee recommends that Full Council adopt the Resolution (Res).
Notes:
In Favor: 2 Chair Burgess, Member Johnson
Opposed: 0
- 1 Full Council 08/08/2016 adopted Pass
Action Text: The Resolution (Res) was adopted by the following vote, and the President signed the Resolution:
Notes:
In Favor: 8 Councilmember Bagshaw, Councilmember Burgess, Councilmember
González , Council President Harrell, Councilmember Herbold,
Councilmember Johnson, Councilmember Juarez, Councilmember
O'Brien
Opposed: 0
- 1 City Clerk 08/12/2016 submitted for Mayor
Mayor's signature
- 1 Mayor 08/16/2016 Signed
Action Text: The Resolution (Res) was Signed.
Notes:
- 1 Mayor 08/17/2016 returned City Clerk
- 1 City Clerk 08/17/2016 attested by City
Clerk
Action Text: The Resolution (Res) was attested by City Clerk.
Notes:
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CITY OF SEATTLE

RESOLUTION 31688

A RESOLUTION amending Resolution 31334; establishing the City Council's intent to fund the Seattle City Employees' Retirement System (SCERS) in accordance with the January 1, 2016, Actuarial Study.

WHEREAS, the City provides and manages a defined-benefit pension for its non-uniformed employees to serve as a source of retirement income, along with Social Security; and

WHEREAS, the City Council previously declared, in Resolution 31334, its intention to fully fund the actuarially required contribution amounts into the pension system, including a plan to amortize the system's unfunded liability in 30 or fewer years; and

WHEREAS, the January 1, 2016, valuation study performed by the Seattle City Employees' Retirement System (SCERS) actuary identified a change in the contribution rate necessary to fully fund the system; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. Resolution 31334, adopted in November 2011 and modified by Resolution 31617 in September 2015, is modified as follows:

"Section 1. The City will fully fund its actuarially required contributions to SCERS in the 2012 Adopted Budget and thereafter. The City will base its contribution rate on a five-year smoothed asset valuation as described in the most recent actuarial report, and the rate will be sufficient to amortize the system's unfunded liabilities in 30 or fewer years.

Section 2. To that end, the ((2016)) 2017 Adopted Budget will include sufficient appropriation for the City to pay ((15.23%)) 15.29% of regular (non-overtime) payroll into SCERS. This is greater than the employee contribution of 10.03%. It brings the combined

1 contribution to ~~((25.26%))~~ 25.32%, which is the actuarially required amount for ~~((2016))~~ 2017 as
2 described in the January 1, ~~((2015))~~ 2016, Actuarial Valuation.

3 Section 3. The City endorses the actuarial assumptions and methods adopted by the
4 SCERS Board of Administration, utilized beginning with the January 1, 2011, valuation, and
5 modified by the Board as a result of the actuary's investigation of the system's experience from
6 2010 through 2013. These include:

7 A. The entry age normal actuarial cost method

8 B. An investment return rate of 7.50%

9 C. A five-year smoothed method for asset valuation

10 D. Generational mortality tables that take future life expectancy improvements into

11 account

12 E. Expected average membership growth of 0.5% per year

13 F. Other economic and demographic assumptions as described in the valuation.

14 Section 4. Each year, and in the event the SCERS Board of Administration should wish
15 to change its actuarial assumptions and methods, the City requests that the Board consult with
16 the Mayor and the City Council by the tenth day of July regarding the impacts of such changes
17 on funding requirements, as described in SMC 4.36.550.A, to allow sufficient time to make
18 budget preparations.

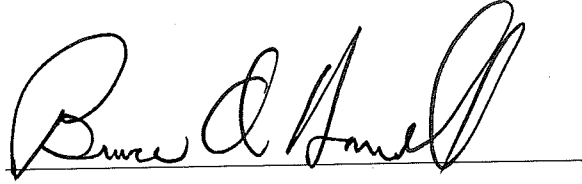
19 Section 5. The City will update its contribution rate to SCERS annually to a level not less
20 than the actuarial required contribution for that year as determined by the most recent valuation.
21 The City may elect to exceed the required contribution rate in any given year in the interest of
22 funding stability or to amortize the system's unfunded liabilities in fewer than 30 years.

1 Section 6. Beginning with the January 1, 2013, Actuarial Valuation and thereafter, the
2 amortization period is closed and fixed. That is to say, the amortization rate should be sufficient
3 to retire the system's unfunded liability over the period 2013-2042. Since closed amortizations
4 can generate excessive contribution rate volatility in the second half of the period, the Council
5 may consider re-opening the amortization period after 15 years. At any time, the SCERS Board
6 and its actuary may recommend additional amortization layers and/or separate amortization
7 periods for any new unfunded liabilities or surpluses generated after January 1, 2013.”

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Adopted by the City Council the 8th day of August, 2016,

and signed by me in open session in authentication of its adoption this 8th day of
August, 2016.



President _____ of the City Council

The Mayor concurred the 16th day of August, 2016.



Edward B. Murray, Mayor

Filed by me this 17th day of August, 2016.



Monica Martinez Simmons, City Clerk

(Seal)