

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
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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 as informed by the January 1, 2023 Actuarial Study.

Summary and background of the Legislation:

By this resolution and in accordance with Seattle Municipal Code Section 4.36.505, the SCERS Board of Administration is recommending to the City Council to maintain for 2024 the 2023 combined employer and employee contribution rate of 25.06% and the employer (City) contribution rate of 15.82% of regular payroll into SCERS. In the interest of funding stability and in anticipation of investment market volatility and low returns, the SCERS Board finds it is prudent to maintain the 2023 actuarially required contribution rate in 2024.

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. Although the City may elect to exceed the actuarial required contribution rate in any given year, in 2024, the minimum actuarial required employer contribution rate is 15.17% with a combined contribution rate of 24.12% as determined by the January 1, 2023 Actuarial Valuation.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes ___X___ 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 2024 contribution rate is also 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 2024 would go against Council Resolution 31334, and 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 ACFR.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**
This legislation is the vehicle through which the SCERS Board conveys the updated actuarially required employer contribution rate to the Council as called for in Council Resolution 31334. The implementation of the rate change occurs through the adoption of the City's Budget Adoption Ordinance. The employer contribution rate approved with this Resolution, will affect all other City departmental budgets.
- 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