

**BILL SUMMARY & FISCAL NOTE**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>Executive Contact/Phone:</b>
Retirement	Jeff Davis / 4-8071	Jessica Wang / 5-1759

**1. BILL SUMMARY**

**Legislation Title:** A RESOLUTION approving interest rates set by the Seattle City Employees' Retirement System Board of Administration for 2016.

**Summary and background of the Legislation:**

Per Seattle Municipal Code 4.36.505.A.1, this resolution provides City Council approval of the 2016 interest rates on member contributions set by the SCERS Board of Administration.

Under the policy enacted by the SCERS Board, in 2016, contributions received on or before December 31, 2011 will earn 5.75% annual interest, compounded annually. Contributions received after that date will earn 2.95% interest, also compounded annually. The Board will review and adjust the interest rates annually, based on market conditions.

**2. CAPITAL IMPROVEMENT PROGRAM**

**This legislation creates, funds, or amends a CIP Project.**  
 (If box is checked, please attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the pending plan as part of the attached CIP Page.)

<b>Project Name:</b>	<b>Project I.D.:</b>	<b>Project Location:</b>	<b>Start Date:</b>	<b>End Date:</b>	<b>Total Cost:</b>

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

Please check one:

**This legislation has direct financial implications.** (If the legislation has direct fiscal impacts (appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" section.)

**This legislation does not have direct financial implications.**  
 (Please skip to "Other Implications" section at the end of the document and answer questions a-i.)

<b>Budget program(s) affected:</b>				
<b>Estimated \$ Appropriation change:</b>	<b>General Fund \$</b>		<b>Other \$</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>

<b>Estimated \$ Revenue change:</b>	<b>Revenue to General Fund</b>		<b>Revenue to Other Funds</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
<b>Positions affected:</b>	<b>No. of Positions</b>		<b>Total FTE Change</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
<b>Other departments affected:</b>				

**3.a. Appropriations**

**This legislation adds, changes, or deletes appropriations.**  
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues)

<b>Fund Name and number</b>	<b>Dept</b>	<b>Budget Control Level Name/##</b>	<b>2015 Appropriation Change</b>	<b>2016 Estimated Appropriation Change</b>
<b>TOTAL</b>				

*\*See budget book to obtain the appropriate Budget Control Level for your department.*  
 (This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not complete supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.)

Appropriations Notes:

**3.b. Revenues/Reimbursements**

**This legislation adds, changes, or deletes revenues or reimbursements.**  
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Positions)

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

<b>Fund Name and Number</b>	<b>Dept</b>	<b>Revenue Source</b>	<b>2015 Revenue</b>	<b>2016 Estimated Revenue</b>
<b>TOTAL</b>				

(This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below. Do the revenue sources have match requirements? If so, what are they?)

Revenue/Reimbursement Notes:

**3.c. Positions**

**This legislation adds, changes, or deletes positions.**  
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications)

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2015 Positions	2015 FTE	Does it sunset? (If yes, explain below in Position Notes)
<b>TOTAL</b>							

\* List each position separately

(This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below.)

Position Notes:

**4. OTHER IMPLICATIONS**

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**  
 This legislation has no direct financial implications for City appropriations, revenues, or positions. However, the new interest rates for 2016 will grow member contribution balances a bit more slowly than the historical average, lowering the Retirement Fund’s costs and incrementally lowering the system’s normal cost. These impacts are estimated along with other factors in the retirement system’s periodic actuarial valuations.
- b) **Is there financial cost or other impacts of not implementing the legislation?**  
 The proposed change reflects a small decrease in market interest rates in the last year. Not implementing the legislation would not recognize the action taken by the SCERS Board of Administration or the practice of the last several years. Inaction would leave the rate at the 2015 level.
- c) **Does this legislation affect any departments besides the originating department?**  
 The legislation affects all SCERS members, who are employed across the City.
- d) **Is a public hearing required for this legislation?**

No.

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

No.

- f) **Does this legislation affect a piece of property?**

No.

- g) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

The legislation affects all SCERS members and is not expected to have any disproportionate impact on vulnerable or historically disadvantaged communities.

- h) **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**

Not applicable

- i) **Other Issues:**

**List attachments below:**