



SEATTLE CITY COUNCIL

Legislative Summary

Res 31617

Record No.: Res 31617

Type: Resolution (Res)

Status: Adopted

Version: 1

In Control: City Clerk

File Created: 08/10/2015

Final Action: 10/05/2015

Title: A RESOLUTION amending Resolution 31334; establishing the Council's intent to fund the Seattle City Employees' Retirement System in accordance with the January 1, 2015 Actuarial Study.

Notes:	Filed with City Clerk:	<u>Date</u> 10/5/2015
	Mayor's Signature:	10/2/2015
Sponsors: Licata	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

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Clerk	09/17/2015	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	09/17/2015	sent for review	Finance and Culture Committee			
	Action Text: The Resolution (Res) was sent for review. to the Finance and Culture Committee						
	Notes:						
1	Full Council	09/21/2015	referred	Finance and Culture Committee			
1	Finance and Culture Committee	09/23/2015	adopt				Pass
	Action Text: The Committee recommends that Full Council adopt the Resolution (Res). In Favor: 4 Chair Licata, Vice Chair Godden, Member Burgess, O'Brien Opposed: 0						
1	Full Council	09/28/2015	adopted				Pass
	Action Text: The Resolution (Res) was adopted by the following vote and the President signed the Resolution:						

In Favor: 9 Councilmember Bagshaw, Council President Burgess, Councilmember Godden, Councilmember Harrell, Councilmember Licata, Councilmember O'Brien, Councilmember Okamoto, Councilmember Rasmussen, Councilmember Sawant

Opposed: 0

- 1 City Clerk 09/29/2015 submitted for Mayor
Mayor's signature
Action Text: The Resolution (Res) was submitted for Mayor's signature. to the Mayor
Notes:
 - 1 Mayor 10/02/2015 Signed
Action Text: The Resolution (Res) was Signed.
Notes:
 - 1 Mayor 10/05/2015 returned City Clerk
Action Text: The Resolution (Res) was returned. to the City Clerk
Notes:
 - 1 City Clerk 10/05/2015 attested by City Clerk
Action Text: The Resolution (Res) was attested by City Clerk.
Notes:
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CITY OF SEATTLE
RESOLUTION 31617

A RESOLUTION amending Resolution 31334; establishing the Council's intent to fund the Seattle City Employees' Retirement System in accordance with the January 1, 2015 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, in Resolution 31334, the City Council previously declared 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, 2015 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 31540 in September 2014, 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 ~~((2015))~~2016 Adopted Budget will include sufficient appropriation for the City to pay ~~((15.73))~~15.23% of regular (non-overtime) payroll into SCERS.

1 This is greater than the employee contribution of 10.03%. It brings the combined contribution to
2 ~~((25.76))~~ 25.26%, which is the actuarially required amount for ~~((2015))~~2016 as described in
3 January 1, ~~((2014))~~2015 Actuarial Valuation.

4 Section 3. The City endorses the actuarial assumptions and methods adopted by the
5 SCERS Board of Administration, utilized beginning with the January 1, 2011 valuation, and
6 modified by the Board as a result of the actuary's investigation of the system's experience from
7 2010 through 2013. These include:

8 A. The entry age normal actuarial cost method.

9 B. An investment return rate of 7.50%

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

11 D. Generational mortality tables that take future life expectancy improvements into
12 account

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

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

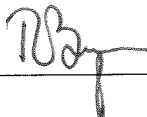
15 Section 4. Each year, and in the event the SCERS Board of Administration should wish
16 to change its actuarial assumptions and methods, the City requests that the Board consult with
17 the Mayor and the City Council by the tenth day of July regarding the impacts of such changes
18 on funding requirements,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

20 Section 5. The City will update its contribution rate to SCERS annually to a level not less
21 than the actuarial required contribution for that year as determined by the most recent valuation.
22 The City may elect to exceed the required contribution rate in any given year in the interest of
23 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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1 Adopted by the City Council the 28th day of September, 2015, and
2 signed by me in open session in authentication of its adoption this 28th day
3 of September, 2015.

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5 _____
6 President _____ of the City Council

7 The Mayor concurred the 2nd day of October, 2015.

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9 _____
10 Edward B. Murray, Mayor

11 Filed by me this 5th day of OCTOBER, 2015.

12 
13 _____
14 Monica Martinez Simmons, City Clerk
15
16

17 (Seal)