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:

Sponsors: Burgess

Attachments:

Drafter: patrick.wigren@seattle.gov

	Date
Filed with City Clerk:	8/17/2016
Mayor's Signature:	8/16/2016
Vetoed by Mayor:	
Veto Overridden:	
Veto Sustained:	

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:

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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:

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Full Council	08/01/2016	referred	Affordable Housing, Neighborhoods, and Finance Committee			

1	Affordable Housing, Neighborhoods, and Finance Committee	08/03/2016	adopt			Pass

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's signature	Mayor		
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:

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

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

A. The entry age normal actuarial cost method

B. An investment return rate of 7.50%

C. A five-year smoothed method for asset valuation

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

E. Expected average membership growth of 0.5% per year

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

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

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

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

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)

STATE OF WASHINGTON -- KING COUNTY

--ss.

341047

No. TITLE ONLY

CITY OF SEATTLE,CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:31681-82,31688-31690

was published on

08/29/16

The amount of the fee charged for the foregoing publication is the sum of $72.41 which amount has been paid in full.

JENNIFER A BARNES
COMMISSION EXPIRES
NOTARY
PUBLIC
10-24-19
STATE OF WASHINGTON

Subscribed and sworn to before me on

08/29/2016

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on August, 8, 2016 and published below by title only, will be mailed upon request, or can be accessed at http://seattle.legistar.com. For information on upcoming meetings of the Seattle City Council, please visit http://www.seattle.gov/council/calendar.

Resolution 31681

A RESOLUTION establishing the shared city and community goals and strategies of the Equity and Environment Agenda as City policy and a critical aspect and foundation for all environment and sustainability work in Seattle.

Resolution 31682

A RESOLUTION identifying proposed Comprehensive Plan amendments to be considered for possible adoption in 2017; and requesting that the Office of Planning and Community Development and the Seattle Planning Commission review and make recommendations about the proposed amendments.

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.

Resolution 31689

A RESOLUTION approving interest rates set by the Seattle City Employees' Retirement System (SCERS) Board of Administration for 2017.

Resolution 31690

A RESOLUTION providing an honorary designation of South Jackson Street from 20th Avenue South to 23rd Avenue South as "Ernestine Anderson Way."

Date of publication in the Seattle Daily Journal of Commerce, August 29, 2016.

8/29(341047)