

Resolution No. 31542

A RESOLUTION approving interest rates set by the Seattle City Employees' Retirement System (SCERS) Board of Administration for 2015.

The City of Seattle – Legislative Department

Resolution sponsored by: *Nick Lesch*

Committee Action:

Date	Recommendation	Vote
<u>9/10/14</u>	<u>pass 3-0 NL, TA, TB</u>	<u>(CH)</u>

Related Legislation File:

Date Introduced and Referred: <u>9/2/14</u>	To: (committee): <u>Finance and Culture</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>9/15/14</u>	Date Presented to Mayor: <u>9/17/14</u>
Date Signed by Mayor: <u>9/19/14</u>	Date Returned to City Clerk: <u>9/19/14</u>
Published by Title Only <input checked="" type="checkbox"/>	Date Returned Without Concurrence:
Published in Full Text	

This file is complete and ready for presentation to Full Council.

Full Council Action:

Date	Decision	Vote
<u>Sept. 15, 2014</u>	<u>Adopted</u>	<u>8-0 (excused: Bagshaw)</u>

Law Department

CITY OF SEATTLE
RESOLUTION 31542

A RESOLUTION approving interest rates set by the Seattle City Employees' Retirement System (SCERS) Board of Administration for 2015

WHEREAS, SCERS currently pays interest on employee contributions at an annual rate of 5.75% (compounded annually) for contributions made before December 31, 2011, and 2.91% (also compounded annually) for employee contributions made after that date; and

WHEREAS, Seattle Municipal Code section 4.36.140 gives the SCERS Board of Administration the power to "[m]ake any necessary changes in the rate of interest" and further provides that "[n]othing in this section shall be construed to limit the right of the Board, subject to approval of the City Council, to make changes in rates of interest whenever the Board deems it necessary or advisable"; and

WHEREAS, the SCERS Board of Administration, at its August 14, 2014 meeting, voted to adjust the annual interest rate for 2015 on all contributions received after December 31, 2011 to 3.66% (compounded annually); and

WHEREAS, the SCERS Board intends to review and adjust this rate annually, based on market conditions; NOW, THEREFORE,

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

Section 1. The City Council approves the 2015 credit interest rate adopted by the SCERS Board of Administration of 3.66 percent (compounded annually) on all member contributions received after December 31, 2011. Member contributions received on or before December 31, 2011, will continue to accrue credit interest at a rate of 5.75 percent (also compounded annually). These rates will apply at the beginning of the first full pay period of 2015.



1 Adopted by the City Council the 15th day of September, 2014, and
2 signed by me in open session in authentication of its adoption this 15th day
3 of September, 2014.

4 Boz
5 President _____ of the City Council

6
7 THE MAYOR CONCURRING:

8 Edward B. Murray
9

10 Edward B. Murray, Mayor

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12 Filed by me this 19th day of September, 2014.

13 Monica B. Simmons
14

15 Monica Martinez Simmons, City Clerk

16
17 (Seal)



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Retirement	Tim Morrison 4-0117	Jessica Wang 5-1759

Legislation Title: A RESOLUTION approving interest rates set by the Seattle City Employees' Retirement System (SCERS) Board of Administration for 2015.

Summary of the Legislation:

Per Seattle Municipal Code 4.36.140.A.1, this resolution provides City Council approval of the 2015 interest rates on member contributions set by the SCERS Board of Administration.

Background:

Under the policy enacted by the SCERS Board, in 2015, contributions received on or before December 31, 2011 will earn 5.75% annual interest, compounded annually. Contributions received after that date will earn 3.66% interest, also compounded annually. The Board will review and adjust the interest rates annually, based on market conditions.

Please check one of the following:

This legislation does not have any financial implications.
(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)

This legislation has financial implications.
(If the legislation has direct fiscal impacts (e.g., 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. Please delete the instructions provided in parentheses at the end of each title and question.)

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

This legislation has no direct financial implications for City appropriations, revenues, or positions. However, the new interest rates for 2015 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) What is the financial cost of not implementing the legislation?



The proposed change reflects a small increase in market interest rates in the last year. Not implementing the legislation would leave the rate at the lower 2014 level, resulting in lower costs for the retirement fund and reduced benefits for members.

c) Does this legislation affect any departments besides the originating department?

The legislation affects all SCERS members, who are employed across the City.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

Per SMC 4.36.140, Board-approved changes to the credit interest rate are subject to approval by the Council. Historically this has been accomplished through a resolution like the one proposed.

e) Is a public hearing required for this legislation?

No

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

No

g) Does this legislation affect a piece of property?

No

h) Other Issues:

None

List attachments to the fiscal note below:

STATE OF WASHINGTON -- KING COUNTY

--SS.

316342

No. 31540,542,544,545

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.

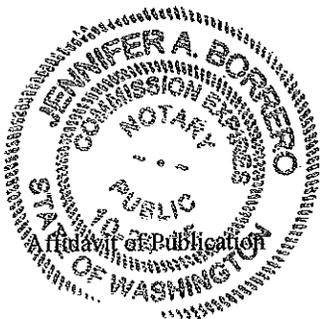
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLE ONLY RESOLUTIONS

was published on

10/09/14

The amount of the fee charged for the foregoing publication is the sum of \$74.75 which amount has been paid in full.



[Signature]
Subscribed and sworn to before me on
10/09/2014
[Signature]

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

Title Only Resolutions

The full text of the following legislation, passed by the City Council on September 16, 2014, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

RESOLUTION NO. 31540

A RESOLUTION relating to the Seattle City Employees' Retirement System; amending Resolution 31394 as amended by Resolution 31474; establishing the Council's intent to fund the Seattle City Employees Retirement System in accordance with the January 1, 2014 Actuarial Study.

RESOLUTION NO. 31542

A RESOLUTION approving interest rates set by the Seattle City Employees' Retirement System (SCERS) Board of Administration for 2015.

RESOLUTION NO. 31544

A RESOLUTION granting conceptual approval to construct, maintain, and operate a below-grade waste-heat conveyance system and utility tunnels under and across Virginia Street, between 5th Avenue and 6th Avenue, and 6th Avenue, between Virginia Street and Lenora Street; and acknowledging the applicants' plans for future expansion in the Denny Triangle neighborhood; as proposed by Eco District LLC.

RESOLUTION NO. 31545

A RESOLUTION granting conceptual approval to construct, maintain, and operate a below-grade waste-heat conveyance system and utility tunnels under and across Lenora Street, between 6th and 7th Avenue, and 7th Avenue, between Lenora and Blanchard Street; and acknowledging the applicants' plans for future expansion in the Denny Triangle neighborhood; as proposed by Acorn Development LLC.

Date of publication in the Seattle Daily Journal of Commerce, October 9, 2014.

10/9(316342)