LEAGUE OF ARIZONA’S CITIES AND TOWNS: PENSION TASK FORCE UPDATE
Formed in June 2014
Partnership with ACMA and GFOAz
15 Members
Review all aspects of PSPRS, identify areas of improvement, and reform recommendations
1. Information and Education
   - 14 Presentations

2. Stakeholder Collaboration
   - Employers
   - State PSPRS Board and Administration
   - Arizona Firefighters’ Association
   - Arizona Fraternal Order of Police
   - Arizona Police Association
1. Each Member Entity is Managing a Pension Plan (PSPRS is not ASRS)
2. Employers and PSPRS Will Develop a Stronger Relationship
3. Task Force Will Focus on Immediate Opportunities
1. Employer Recommended Practices
   - “Know Your Numbers”
     - Trends (Amount, Rate, Unfunded Liability)
     - Percent of Operating Budget
     - Plan Age/Maturity (Actives vs. Retirees)
   - Calculation is the “Minimum” Amount Due
     - Consider Making Contributions for DROP Members
     - Consider Excess Payments
1. Employer Recommended Practices (continued)
   - Increase Interest Income by Making Payments with Less Frequently
   - Adopt a Pension Funding Policy
     - Outlines what to do if costs get too high or have excess reserves
2. Employer Meetings in January 2015
   - Release Employer Recommended Practices
   - Discuss New Financial Information
     - 7/1/15 Contribution Rates
     - Funded Status / Unfunded Liabilities
     - Impact of Fields’ Decision
3. Address Retiree Unfunded Liability
   - Real Liability
   - Financing Opportunity
   - Pursue Partnership with State Treasurer
NEXT PHASE: REFORM RECOMMENDATIONS

Goal

Principles

Plan Design Elements
What should the Employee, Retiree, Employer, and Taxpayer get out of the System?

How is this Accomplished?

- Type of plan, cost sharing, annual pension increase (PBI), etc.
PROPOSED PRINCIPLES

1. Adequate and Affordable
2. Financially Solvent
3. Transparent and Accountable
1. Pension Amount
2. COLA
3. Retirement Age
4. Cost Sharing
5. Funded Status
6. Actuary Assumptions
7. Investment Strategies
8. Dedicated Revenues
9. Governance
10. Loan Program
11. Legal
Education and Collaboration
Employer Engagement
Immediate Opportunities
Legislative Solutions Will Take Time
UPCOMING CALENDAR

January 2015
- Employer Meetings
- Employer Recommended Practices

February 2015
- Next Update to Executive Committee
Comments and Questions