

**RESOLUTION NO. R2020-059**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUMA,  
ARIZONA, ADOPTING A CONTINGENCY RESERVE FUNDS POLICY  
RELATING TO THE PUBLIC SAFETY PERSONNEL RETIREMENT  
SYSTEM PENSION FUNDING**

WHEREAS, the City of Yuma currently has unfunded liabilities to the Public Safety Personnel Retirement System (PSPRS) in excess of \$140,000,000 which carries a presumed interest rate of 7.3%; and,

WHEREAS, the City intends to issue obligations at a not-to-exceed market interest rate to pay all or a portion of this unfunded PSPRS liability resulting in significant savings to City of Yuma taxpayers and level repayments; and,

WHEREAS, from time to time, unanticipated market risk and actuarial risks could result in additional liability to the PSPRS in excess of the currently estimated \$140,000,000; and,

WHEREAS, to protect the City from additional charges attributable to market or actuarial risk and to maintain a 100% funded position with respect to the unfunded liabilities for both Police and Fire Tier 1 and Tier 2 employees or former employees, City Council has directed that the City shall establish a contingency reserve fund for both Police and Fire PSPRS that incorporates all of the policies desired by City Council; and,

WHEREAS, adequate PSPRS pension fund reserve levels are necessary components of the City Council's overall sound financial management strategy as more particularly described in Exhibit A titled, *The City of Yuma Policy-Finance Public Safety Personnel Retirement System (PSPRS) Contingency Reserve Funds*.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yuma as follows:

SECTION 1: The *City of Yuma Policy-Finance Public Safety Personnel Retirement System (PSPRS) Contingency Reserve Funds*, attached as Exhibit A and by this reference made a part of this resolution, is approved.

SECTION 2: The City Administrator is authorized and directed to create and implement contingency reserve funds consistent with the *City of Yuma Policy-Finance Public Safety Personnel Retirement System (PSPRS) Contingency Reserve Funds*.

Adopted this \_\_\_\_\_ day of December, 2020.

APPROVED:

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Douglas J. Nicholls  
Mayor

APPROVED AS TO FORM:

ATTESTED:

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Richard W. Files  
City Attorney

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Lynda L. Bushong  
City Clerk