

RESOLUTION NO. R2025-071

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUMA,
ARIZONA, ADOPTING THE ANNUAL PUBLIC SAFETY
PERSONNEL RETIREMENT SYSTEM FUNDING POLICY FOR THE
FISCAL YEAR 2026**

WHEREAS, the provisions of Title 38, Chapter 863.01, Article 4, Arizona Revised Statutes (A.R.S.), requires all local agencies (counties, cities, towns and special districts) that participate in the Public Safety Personnel Retirement System (“PSPRS”) to adopt and post a Pension Funding Policy annually; and,

WHEREAS, the PSPRS administers an agent multiple-employer pension plan where each local agency participating in the plan has an individual trust fund to account for that local agency’s assets and liabilities that each local agency is responsible for, including paying any Unfunded Actuarial Accrued Liability (“UAAL”); and,

WHEREAS, the UAAL is the difference between trust assets and the estimated future costs of pensions earned by employees resulting from actual results (including interest earnings, member mortality, disability rates, etc.) being different from the assumptions used in previous actuarial valuations; and,

WHEREAS, City Ordinance No. O2020-027, authorized issuing taxable pledged revenue bonds to pay the estimated Tier 1 and Tier 2 UAAL of \$140,000,000 and establish a PSPRS UAAL reserve account to maintain a funding level of 100%; and,

WHEREAS, although previously fully funded, due to a change from actuarial expectations, a UAAL in the amount of \$8,165,355 (Police) and \$4,743,532 (Fire) accrued through Fiscal Years 2023 and 2024; and,

WHEREAS, the goal in the attached policy is to fully amortize the UAAL in advance of June 30, 2036 while still providing the City Council with flexibility to fully or partially pay the remaining UAAL amount once the Fiscal Year 2025 Actuarial Valuation is available; and,

WHEREAS, the Arizona League of Cities and Town’s has provided a template to assist municipalities in meeting the State requirements.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yuma as follows: the attached incorporated City of Yuma Public Safety Personnel Retirement System Funding Policy for Fiscal Year 2026 is hereby adopted.

Adopted this ____ day of June, 2025.

APPROVED:

Douglas J. Nicholls
Mayor

ATTESTED:

APPROVED AS TO FORM:

Lynda L. Bushong
City Clerk

Richard W. Files
City Attorney