



MEMORANDUM

Date: March 18, 2015

To: Tom Burke, Director
Finance and Risk Management

From: C.H. Huckelberry
County Administrator 

Re: **Pension Funding Policy Services**

We both received the attached letter regarding pension funding policy services. I do not know that this firm can assist us with regard to pension funding policy other than to recommend hiring law enforcement deputies early in their career and have them move on to other agencies several years later.

There apparently is a very significant variation in pension cost by local jurisdiction, particularly as it relates to public safety and law enforcement. I discussed this matter some time ago with Cochise County Manager Michael Ortega; and he indicated a very wide range of costs, particularly in smaller jurisdictions such as Benson and Tombstone.

Please have staff research the wide cost variation in smaller public safety departments. Perhaps there is a strategy that could be employed in the future to minimize our public safety retirement contributions.

CHH/mjk

Attachment

c: Robert Johnson, Budget Manager, Finance and Risk Management

March 9, 2015

Mr. Chuck Huckelberry
County Administrator
Pima County Governmental Center
130 W. Congress St. 10th Floor
Tucson, AZ 85701

Mr. Tom Burke
Finance Director
Pima County Governmental Center
130 W. Congress St. 10th Floor
Tucson, AZ 85701

RE: Keeping the Pension Promise – Pension Funding Policy

Dear Mr. Huckelberry and Mr. Burke:

As you are probably aware, the Arizona Public Safety Personnel Retirement System (PSPRS) Pension Task Force recommends specific employer practices which can help address unfunded pension liability problems. **One of those recommendations is to adopt a pension funding policy.**

A pension funding policy assures that the minimum liability is reported on financial statements; and managing pension debt is critical to achieving the lowest possible interest rate on your infrastructure debt.

It is more important than ever before to have an effective and realistic pension funding policy for the Pima County Sheriff's Department. However, creating a pension funding policy is no easy task.

You need a project leader who is part actuary, part lawyer, and part mediator. You need someone who communicates complex concepts clearly. You need someone who can build a coalition of the various constituents – plan participants, taxpayers, city and county leaders, and pension fund leaders. **The ultimate goal is to develop a sustainable pension funding policy that keeps the pension promise without compromising the effectiveness of other city or county functions.**

I am proud to say that I have helped cities of various sizes deal with their pension plan unfunded liabilities. I am committed to helping cities and counties keep their pension promise and manage their pension debt. I would like to help you do the same.

I would appreciate the opportunity to discuss this matter with you further and to learn how you plan to manage your pension debt. Enclosed are my business card and a brochure outlining my approach to helping you. I will call you soon!

Sincerely,



Mark D. Meyer, JD, FSA
Consulting Actuary

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Retirement planning for employers

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