# MEMORANDUM

Date: March 20, 2018

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: **Pima County Retirement Fund Contributions**

Attached is data related to retirement contributions made by the County over the last five years to each of our State retirement plans. The budget for these contributions has increased from $40.4 million in Fiscal Year (FY) 2012/13 to a now projected $64 million for FY 2018/19. Over the five year time period, this is a 60 percent increase in fund contributions for simply retirement benefits for County employees.

This year, the Legislature is also dealing with the Elected Officials Retirement Plan (EORP) underfunding. It is likely a minimum additional contribution required of the County will be an additional $2.6 million to this plan alone. This issue raises our total retirement contribution to $66.6 million or an increase of 67 percent.

This $26.6 million increase over the last five years has made managing budgets and controlling expenses difficult.

CHH/anc

Attachment

c: Tom Burke, Deputy County Administrator for Administration
Keith Dommer, Director, Finance and Risk Management
Robert Johnson, Budget Manager, Finance and Risk Management

**Pima County**
**State Retirment Systems**
**Fiscal Year 2013/2014 to Fiscal Year 2018/2019**
**General Fund Vs Non General Fund**

| | General Fund | | | Non General Fund | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| **FY1819** | | | | | | | | | |
| Arizona State Retirement | 18,050,487 | | | 12,373,059 | | | 30,423,546 | | |
| Correction Officer Retirement - Judicial Employees | 2,665,674 | | | 2,772,213 | | | 5,437,887 | | |
| AZ Public Safety Retirement - County Attorney | 298,971 | | | 104,527 | | | 403,498 | | |
| Elected Official Retirement | 1,481,013 | | | 0 | | | 1,481,013 | | |
| Public Safety Retirement | 19,082,350 | | | 42,916 | | | 19,125,266 | | |
| Correction Officer Retirement | 7,039,354 | | | 38,060 | | | 7,077,414 | | |
| Elected Officials Retirement - 2014 | 0 | | | 0 | | | 0 | | |
| Total FY1819 | 48,617,849 | | | 15,330,775 | | | 63,948,624 | | |
| **FY1718** | | | | | | | | | |
| Arizona State Retirement | 17,332,024 | 9,433,526 | 7,898,498 | 12,075,554 | 6,366,422 | 5,709,132 | 29,407,578 | 15,799,948 | 13,607,630 |
| Correction Officer Retirement - Judicial Employees | 1,855,016 | 873,797 | 981,219 | 1,987,304 | 966,966 | 1,020,338 | 3,842,320 | 1,840,763 | 2,001,557 |
| AZ Public Safety Retirement - County Attorney | 220,639 | 184,318 | 36,321 | 80,874 | 21,294 | 59,580 | 301,513 | 205,612 | 95,901 |
| Elected Official Retirement | 1,545,015 | 450,041 | 1,094,974 | 0 | (48) | 48 | 1,545,015 | 449,993 | 1,095,022 |
| Public Safety Retirement | 20,724,100 | 11,902,072 | 8,822,028 | 290,693 | 36,515 | 254,178 | 21,014,793 | 11,938,587 | 9,076,206 |
| Correction Officer Retirement | 5,531,362 | 3,136,844 | 2,394,518 | 35,962 | 3,136 | 32,826 | 5,567,324 | 3,139,980 | 2,427,344 |
| Elected Officials Retirement - 2014 | 0 | 445,042 | (445,042) | 0 | 0 | 0 | 0 | 445,042 | (445,042) |
| Total FY1718 | 47,208,156 | 26,425,640 | 20,782,516 | 14,470,387 | 7,394,285 | 7,076,102 | 61,678,543 | 33,819,925 | 27,858,618 |
| **FY1617** | | | | | | | | | |
| Arizona State Retirement | 16,542,531 | 16,114,830 | 427,701 | 11,450,981 | 10,846,287 | 604,694 | 27,993,512 | 26,961,117 | 1,032,395 |
| Correction Officer Retirement - Judicial Employees | 1,595,526 | 1,303,143 | 292,383 | 1,730,514 | 1,506,098 | 224,416 | 3,326,040 | 2,809,241 | 516,799 |
| AZ Public Safety Retirement - County Attorney | 71,634 | 206,481 | (134,847) | 83,394 | 23,152 | 60,242 | 155,028 | 229,633 | (74,605) |
| Elected Official Retirement | 1,564,225 | 1,373,208 | 191,017 | 0 | 0 | 0 | 1,564,225 | 1,373,208 | 191,017 |
| Public Safety Retirement | 15,556,161 | 18,052,366 | (2,496,205) | 260,249 | 155,153 | 105,096 | 15,816,410 | 18,207,519 | (2,391,109) |
| Correction Officer Retirement | 4,900,151 | 4,900,293 | (142) | 46,048 | 18,144 | 27,904 | 4,946,199 | 4,918,437 | 27,762 |
| Elected Officials Retirement - 2014 | 0 | 198,532 | (198,532) | 0 | 0 | 0 | 0 | 198,532 | (198,532) |
| Total FY1617 | 40,230,228 | 42,148,853 | (1,918,625) | 13,571,186 | 12,548,834 | 1,022,352 | 53,801,414 | 54,697,687 | (896,273) |
| **FY1516** | | | | | | | | | |
| Arizona State Retirement | 16,739,284 | 15,660,528 | 1,078,756 | 11,831,247 | 10,592,617 | 1,238,630 | 28,570,531 | 26,253,145 | 2,317,386 |
| Correction Officer Retirement - Judicial Employees | 1,363,416 | 1,283,545 | 79,871 | 1,570,295 | 1,459,635 | 110,660 | 2,933,711 | 2,743,180 | 190,531 |
| AZ Public Safety Retirement - County Attorney | 106,966 | 111,879 | (4,913) | 65,259 | 49,886 | 15,373 | 172,225 | 161,765 | 10,460 |
| Elected Official Retirement | 1,599,006 | 1,569,209 | 29,797 | 0 | 0 | 0 | 1,599,006 | 1,569,209 | 29,797 |
| Public Safety Retirement | 15,108,487 | 16,219,879 | (1,111,392) | 281,120 | 145,092 | 136,028 | 15,389,607 | 16,364,971 | (975,364) |
| Correction Officer Retirement | 4,943,120 | 4,697,556 | 245,564 | 19,985 | 19,885 | 100 | 4,963,105 | 4,717,441 | 245,664 |
| Elected Officials Retirement - 2014 | 15,662 | (221) | 15,883 | 0 | (44) | 44 | 15,662 | (265) | 15,927 |
| Total FY1516 | 39,875,941 | 39,542,375 | 333,566 | 13,767,906 | 12,267,071 | 1,500,835 | 53,643,847 | 51,809,446 | 1,834,401 |

**Pima County**
**State Retirment Systems**
**Fiscal Year 2013/2014 to Fiscal Year 2018/2019**
**General Fund Vs Non General Fund**

| | General Fund | | | Non General Fund | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Budget | Actual | Variance | Budget | Actual | Variance | Budget | Actual | Variance |
| **FY1415** | | | | | | | | | |
| Arizona State Retirement | 17,366,685 | 16,117,958 | 1,248,727 | 11,660,474 | 10,689,877 | 970,597 | 29,027,159 | 26,807,835 | 2,219,324 |
| Correction Officer Retirement - Judicial Employees | 1,092,895 | 1,046,916 | 45,979 | 1,145,965 | 1,207,007 | (61,042) | 2,238,860 | 2,253,923 | (15,063) |
| AZ Public Safety Retirement - County Attorney | 76,161 | 100,160 | (23,999) | 47,754 | 40,841 | 6,913 | 123,915 | 141,001 | (17,086) |
| Elected Official Retirement | 1,642,465 | 1,617,359 | 25,106 | 7,000 | 0 | 7,000 | 1,649,465 | 1,617,359 | 32,106 |
| Public Safety Retirement | 12,086,195 | 13,004,364 | (918,169) | 265,915 | 269,121 | (3,206) | 12,352,110 | 13,273,485 | (921,375) |
| Correction Officer Retirement | 3,738,127 | 3,726,055 | 12,072 | 19,695 | 6,071 | 13,624 | 3,757,822 | 3,732,126 | 25,696 |
| Elected Officials Retirement - 2014 | 0 | 0 | 0 | 0 | 266 | (266) | 0 | 266 | (266) |
| Total FY1415 | 36,002,528 | 35,612,812 | 389,716 | 13,146,803 | 12,213,183 | 933,620 | 49,149,331 | 47,825,995 | 1,323,336 |
| **FY1314** | | | | | | | | | |
| Arizona State Retirement | 16,822,408 | 15,888,622 | 933,786 | 11,578,955 | 10,786,014 | 792,941 | 28,401,363 | 26,674,636 | 1,726,727 |
| Correction Officer Retirement - Judicial Employees | 1,079,915 | 1,002,903 | 77,012 | 1,157,291 | 1,084,363 | 72,928 | 2,237,206 | 2,087,266 | 149,940 |
| AZ Public Safety Retirement - County Attorney | 71,063 | 100,160 | (29,097) | 22,545 | 24,593 | (2,048) | 93,608 | 124,753 | (31,145) |
| Elected Official Retirement | 1,793,789 | 1,744,802 | 48,987 | 0 | 0 | 0 | 1,793,789 | 1,744,802 | 48,987 |
| Public Safety Retirement | 10,913,648 | 11,586,115 | (672,467) | 205,948 | 671,979 | (466,031) | 11,119,596 | 12,258,094 | (1,138,498) |
| Correction Officer Retirement | 3,368,191 | 3,201,768 | 166,423 | 7,407 | 1,687 | 5,720 | 3,375,598 | 3,203,455 | 172,143 |
| Elected Officials Retirement - 2014 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total FY1314 | 34,049,014 | 33,524,370 | 524,644 | 12,972,146 | 12,568,636 | 403,510 | 47,021,160 | 46,093,006 | 928,154 |
| **FY1213** | | | | | | | | | |
| Arizona State Retirement | 16,149,817 | 14,653,557 | 1,496,260 | 10,121,522 | 10,237,427 | (115,905) | 26,271,339 | 24,890,984 | 1,380,355 |
| Correction Officer Retirement - Judicial Employees | 1,008,182 | 874,955 | 133,227 | 997,096 | 862,390 | 134,706 | 2,005,278 | 1,737,345 | 267,933 |
| AZ Public Safety Retirement - County Attorney | 38,779 | 100,160 | (61,381) | 24,290 | 64,725 | (40,435) | 63,069 | 164,885 | (101,816) |
| Elected Official Retirement | 1,245,732 | 1,434,616 | (188,884) | 0 | 0 | 0 | 1,245,732 | 1,434,616 | (188,884) |
| Public Safety Retirement | 8,382,817 | 10,015,663 | (1,632,846) | 169,401 | 656,817 | (487,416) | 8,552,218 | 10,672,480 | (2,120,262) |
| Correction Officer Retirement | 2,291,268 | 2,678,286 | (387,018) | 4,988 | 193 | 4,795 | 2,296,256 | 2,678,479 | (382,223) |
| Elected Officials Retirement - 2014 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total FY1213 | 29,116,595 | 29,757,237 | (640,642) | 11,317,297 | 11,821,552 | (504,255) | 40,433,892 | 41,578,789 | (1,144,897) |