



Legislation Text

File #: 17-0494, **Version:** 1

Resolution to Adopt Revised Funding Policies for the City of Ann Arbor's Pension and Voluntary Employee Beneficiary Association (VEBA) Plans

Attached for your review and approval are revised funding policies for the City's Pension and VEBA (retiree healthcare) plans. The current policies adopted by City Council in 2012 to provide guidance on how to fund the existing long-term liabilities of the employee retirement and VEBA systems. The recommended revisions establishes a minimum 2% contribution in the General Fund and adds flexibility to additionally fund VEBA if active health care costs are better than forecasted and are consistent with the goals set for the funding policies.

Adoption of this policy is consistent with the City Administrator's recommended budget.

Staff recommends adoption of this policy.

Prepared by: Tom Crawford, CFO/Finance and Administrative Services Area Administrator and
Mary Joan Fales, Senior Assistant City Attorney

Reviewed by: Tom Crawford, CFO/Finance and Administrative Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, On May 21, 2012, Council adopted Funding Policies for the City of Ann Arbor's Pension and Voluntary Employee Beneficiary Association (VEBA) Plans (R-12-237);

Whereas, The City desires to operate within prudent financial policies that seek to both address long-term liabilities while also mitigating future increases in operating costs; and

Whereas, The City desires to continue to increase funding for the pension and VEBA liabilities;

RESOLVED, That the City Council adopt the attached revised Funding Policies for the City of Ann Arbor's Pension and Voluntary Employee Beneficiary Association (VEBA) Plans in order to help address the City's long-term needs to be effective concurrent with the passage of the FY18 City budget.