

RESOLUTION 116-23

A RESOLUTION AMENDING THE CONTRIBUTION RATE TO THE FIRE AND POLICE PENSION ASSOCIATION (FPPA) HYBRID DEFINED BENEFIT AND MONEY PURCHASE COMPONENTS OF THE STATEWIDE RETIREMENT PLAN, FORMERLY THE STATEWIDE HYBRID PLAN FOR MEMBER AND EMPLOYER CONTRIBUTIONS

RECITALS:

In 2020, FPPA convened a task force ("Task Force") to study potential issues with one of its retirement plans, the Statewide Hybrid Plan. The Task Force's charge was to evaluate the current and future health of the Hybrid Plan, and if necessary, make recommendations to the FPPA Board on how to maintain the stability of the Plan going forward.

In April 2021, the Task Force delivered a recommendation to merge the assets and liabilities of the Statewide Hybrid Plan with those of the Statewide Defined Benefit Plan, creating the new Statewide Retirement Plan. That action, along with other measures, will help to ensure the stability of all affected plans.

After receiving the Task Force's recommendation, the FPPA Board directed FPPA staff to pursue legislation. House Bill 22-1034 was approved and signed by Governor Polis on March 30, 2022.

In accordance with HB 22-1034 and this Resolution the required minimum contributions into the Hybrid Defined Benefit and Money Purchase Components of the Statewide Retirement Plan will be increased to 9%. Currently the required minimum contribution into the Plan is 10.65% member and 8.125% employer. The increased required minimum will be to the employer at 9%. The House Bill allowed the increase to take effect over 8 years at a rate of 1/8%, or 0.125%, per year; however, the City has determined that it, with the consent of the members, will increase the required minimum to 9% in one action.

By and with the increased contributions the health and longevity of the Hybrid Defined Benefit and Money Purchase Components will be better able to provide benefits over time, and in turn help to assure additional retirement security for members.

On December 6, 2023, the City Council adopted Ordinance 5186 setting the City's 2024 budget and making appropriations in support of expenditures planned by the budget. That Ordinance included, subject to approval of the members and the Council's approval of this Resolution, money to pay the 9% City contribution. Subsequent contributions will be similarly considered, and as determined proper, approved by the City Council. In accordance with FPPA Rule 101.05 contributions are calculated on the members base salary.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO that:

- 1) The foregoing Recitals are incorporated; and,
- 2) The effective date of the increased contributions will be December 24, 2023; and,
- 3) The Member and Employer contribution rates for the members in the Hybrid Defined Benefit and Money Purchase Components of the Statewide Retirement Plan, formerly the Statewide Hybrid Plan are and shall be set at 9%, unless and until amended by subsequent resolution or other operation of law.

This Resolution shall as necessary or required be certified and transmitted to FPPA for processing in accordance with all applicable laws and regulations.

RESOLVED, ADOPTED AND APPROVED this 20th day of December 2023.



Anna M. Stout

City Council President



ATTEST



Amy Phillips
City Clerk