



AGENDA MEMO

10/5/2021 Agenda

TO: Honorable Mayor and City Council

FROM: Robbie Corder, City Manager

SUBJECT: Final Year End Transfer to Firefighters Relief and Retirement Fund

BACKGROUND:

The City of University Park and members of the Firefighters Relief and Retirement Fund (FRRF) agreed to close the plan to new members in 2017. Based upon legislation passed during the 85th Legislative Session and provisions within Ordinance No. 17-027 as approved by the City Council, the City agreed to guarantee the benefits of the plan with certain guarantees by the FRRF members. The actuarial valuation following the closure of the plan, required an annual payroll payment of \$1.36 million to properly fund the benefits of the plan.

The approved FY2021 Budget outlined a process to fund the actuarially required contribution of the plan through a combination of payroll contributions and fund balance transfers. Based upon the required contribution at fiscal year end, the required transfer into the FRRF for FY21 is \$426,932.20. This transfer was authorized on September 29 to ensure inclusion within the fiscal year contributions as required by the actuary. Future transfers will decrease as the City incorporates a higher percentage of city funded payroll contributions into the plan.

ATTACHMENTS:

Ordinance No. 17-027