

Adopted: 02/21/23

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 23-018**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY REGARDING PROPOSED CHANGES TO THE STATE OF ALASKA PUBLIC EMPLOYEES RETIREMENT SYSTEM.

WHEREAS, the Matanuska-Susitna Borough is a plan participant in the Public Employees Retirement System of Alaska ("PERS") along with other municipalities in the State of Alaska; and

WHEREAS, for employees hired prior to 2006, PERS provides a defined benefit retirement system; and

WHEREAS, for employees hired since 2006 through the present, PERS provides a defined contribution system; and

WHEREAS, reasons for the 2006 changes to PERS included the cost of the defined benefit system, the unfunded liability due to mismanagement and errors in administering the defined benefit system, and certainty of future fiscal impacts of PERS; and

WHEREAS, even though no new participants have been added in over 15 years, the PERS defined benefit system still has a very large unfunded liability; and

WHEREAS, there are differing bills pending in the Alaska State Legislature proposing to amend PERS; and

WHEREAS, pending legislation would amend the State Statutes to place certain employees into the defined benefit system or to give employees the option to elect to retain the current defined

contribution program or participate in a defined benefit system;
and

WHEREAS, justification for these proposals largely concerns recruitment and retention of employees for the State of Alaska;
and

WHEREAS, all other municipal employer participants in PERS may not have the same concerns over recruitment and retention; and

WHEREAS, pending legislation would be applied uniformly to all participants of the PERS programs including those who participate by virtue of municipal employment; and

WHEREAS, pending legislation will have different fiscal impacts to different municipal employers depending on the number, type, and longevity of employees in the PERS system; and

WHEREAS, participating municipalities will have little to no control over the fiscal impact if revisions to PERS are adopted in their current form; and

WHEREAS, pending legislation would force those changes upon participating municipalities and has no mechanisms to require municipal governments to elect to participate in the changes; and

WHEREAS, a change from current defined contribution payments to defined benefit payments may result in a 69% increase in retirement expenses paid by the municipality; and

WHEREAS, significant increases in costs due to these changes could adversely impact services especially for smaller, rural service areas.

NOW, THEREFORE, BE IT RESOLVED that the Matanuska-Susitna Borough opposes any bills amending the Public Employees Retirement System of Alaska allowing for plan design changes unless such bills contain a provision that changes only apply to participating municipalities if the municipalities affirmatively elect to allow the changes to apply to its municipal employees.

ADOPTED by the Matanuska-Susitna Borough Assembly this 21 day of February, 2023.


EDNA DeVRIES, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

{SEAL}

PASSED UNANIMOUSLY: Nowers, McKee, Yundt, Tew, Fonov, and
Bernier