

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Mark Stanton and Town Council Members

FROM: Andrew Ching, Town Manager

DATE: May 28, 2026

DEPARTMENT: Finance
Leslie DeReche 480.348.3696

AGENDA TITLE:

Discussion and Possible Action to Adopt Resolution 2026-07 adopting the Annual Public Safety Personnel Retirement System (PSPRS) Pension Funding Policy for Fiscal Year 2027

SUMMARY STATEMENT:

Arizona Revised Statutes §38-863.01 requires all local agencies that participate in the Public Safety Personnel Retirement System to annually adopt and post a pension funding policy for public safety employees participating in they system and who were hired before July 1, 2017. Adopting Resolution 2026-07 and publishing it on the Town's website satisfies that requirement.

BACKGROUND:

The Pension Funding Policy for FY2027 updates the plan's assets, liabilities, and funded status percentages recently provided by the PSPRS' actuarial firm for the fiscal year ended June 30, 2025. The Policy also identifies the Town's annual required contribution (ARC) for the upcoming fiscal year.

The Town's sworn Police personnel are members in one of three different Tiers of the pension plan based on date of hire. Benefits and costs vary by Tier. Members hired prior to July 1, 2017, are members of PSPRS Tier 1 or Tier 2. Those hired on or after July 1, 2017, are members of PSPRS Tier 3. As of June 30, 2025, there were 75 members in Tiers 1 and 2 and nine members in Tier 3. These include active, inactive, and retired members as well as other beneficiaries.

The actuarial valuation is determined for Tiers 1 and 2 jointly and separately for Tier 3. Plan information in this Pension Funding Policy is presented only for Tiers 1 and 2. The Tier 3 personnel are members of a shared pension plan that is comprised of multiple employers and reported at the state level.

The Town Council adopted Resolution 2016-19 declaring the expedient resolution of the PSPRS unfunded liability as a priority. The Town has achieved a funded ratio exceeding 90% and Council intends to maintain a funded ratio of no less than 90% and not to exceed 110%. The Tiers 1 and 2 combined funded status is 101.3% as of June 30, 2025.

BUDGETARY IMPACT:

There is no budgetary impact associated with this action. The Town's required contributions to PSPRS are included in the FY2027 budget.

ATTACHMENT(S):

- A. Staff report
- B. Resolution 2026-07