



Legislation Details (With Text)

File #: 17-340 **Version:** 1 **Name:**
Type: Resolution **Status:** Agenda Ready
File created: 10/3/2017 **In control:** Town Council
On agenda: 10/26/2017 **Final action:**
Title: FY 2017 Year End Budget Adjustment for Prefunding of FY2018 PSPRS Unfunded Liability Payment
Sponsors:
Indexes:
Code sections:
Attachments: 1. Resolution 2017-20 YE Budget Adjustment PSPRS 5M Additional Unfunded Liability Payment (AM Redline), 2. FY 2017 Year End Budget Adjustment

Date	Ver.	Action By	Action	Result
10/26/2017	1	Town Council	Adopted	Pass

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Dawn Marie Buckland, Deputy Town Manager

DATE: October 26, 2017

DEPARTMENT: Finance

AGENDA TITLE:

FY 2017 Year End Budget Adjustment for Prefunding of FY2018 PSPRS Unfunded Liability Payment

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☒ Limited government
- ☐ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☐ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

Responsible financial management is a cornerstone of effective limited government. Making funds available for the additional \$5 million PSPRS unfunded liability payment prior to the 8% assessment on the outstanding balance saved taxpayers \$400,000.

Council Goals or Statutory Requirements:

Long term balanced financial plan

RECOMMENDATION:

Adopt Resolution 2017-20 approving an FY2017 budget transfer of \$5,000,000 from various sources to the Police Department retirement account

SUMMARY STATEMENT:

During the FY 2018 budget process, Council scheduled an additional \$5 million pay off of the PSPRS unfunded liability for this fiscal year beyond the normal prefunding of the \$2.1 million anticipated minimum payment. Staff scheduled the cash transfer from the daily operating account to the Town's PSPRS prefund account to occur on June 30 to ensure that the funds were in place for a July 1 expenditure, consistent with the prefunding of the FY 2018 minimum payments.

The auditors have determined that, while the \$2.1 million prefunding had a schedule of due dates in FY 2018, the \$5 million additional payment did not, and therefore the expenditure must be recorded on the date of the cash transfer.

Logistics:

1. The \$5 million payment will be recorded as an FY 2017 expenditure
2. The ELR exclusion we had planned to carry forward into this FY 2018 to cover that expense will be used in FY 2017 instead
3. A year end budget transfer is required to cover the expense. Sufficient budget authority cumulatively exists in various line items.

Impact:

1. We will likely see an explanation of the above included in the audit as a management comment
2. By having the funding available on 7/1/2017, 8% was NOT assessed on \$5 million saving the Town \$400,000 as planned

BUDGETARY IMPACT:

The cost remains the same. Recording the expenditure in FY 2017 is within the 2017 budget authority and expenditure limitation.

ATTACHMENT(S):

Resolution 2017-20