

**RESOLUTION NO. 5039**

**A RESOLUTION REQUESTING THE ALASKA MUNICIPAL LEAGUE'S  
PARTICIPATION IN ADDRESSING ALASKA MUNICIPALITIES' HIGH PERS  
CONTRIBUTION RATE**

**WHEREAS**, the City of Fairbanks is an active and productive member of the Alaska Municipal League; and

**WHEREAS**, the Alaska Municipal League, the City of Fairbanks, and municipalities throughout Alaska have related priorities; and

**WHEREAS**, the contribution rate of municipalities to the Alaska Public Employees' Retirement System (PERS) affects many members of the Alaska Municipal League; and

**WHEREAS**, municipalities trusted the State of Alaska to responsibly manage these funds; and

**WHEREAS**, in 2006 the State changed the PERS system by adding a Tier 4 after acknowledging the massive debt that had accrued; and

**WHEREAS**, the State currently runs a deficit in the PERS system of \$3.2 billion as of December 2021, and since the last actuarial value of June 2022, market value of invested assets has decreased by \$2.3 billion, adding to the deficit; and

**WHEREAS**, municipal members enrolled in the PERS program continue to contribute to the PERS system at a 22% contribution rate years after it was replaced by a defined contribution plan, with the majority of the payment going to pay off the legacy defined benefit debt; and

**WHEREAS**, this rate is much higher than equivalent union or private sector plans; and

**WHEREAS**, the municipalities have not seen any long-range plan to reduce this high rate.

**NOW, THEREFORE, BE RESOLVED** that the City of Fairbanks requests the Alaska Municipal League:

1. Work with the State of Alaska's Executive and Legislative branches to, at a minimum, oppose an increase in the current rate; and
2. Work with the State of Alaska's Executive and Legislative branches to begin reducing or removing the legacy debt liability portion of the PERS contribution rate.

**BE IT FURTHER RESOLVED** that the City Clerk is directed to send copies of this resolution to the Executive Director of the Alaska Municipal League.

**PASSED** and **APPROVED** this 28th day of November 2022.

  
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David Pruhs, Mayor

AYES: PASSED and APPROVED on the CONSENT AGENDA  
NAYS: None  
ABSENT: None  
APPROVED: November 28, 2022

ATTEST:

APPROVED AS TO FORM:

  
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D. Danyielle Snider, MMC, City Clerk

  
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Paul Ewers, City Attorney