

Introduced by: Mayor Pruhs
Councilmember Therrien
Councilmember Ringstad
Councilmember Marney
Councilmember Sprinkle
Councilmember Tidwell
Councilmember Cleworth
Date: February 10, 2025

RESOLUTION NO. 5163, AS AMENDED

**A RESOLUTION URGING THE STATE OF ALASKA TO HONOR ITS
COMMITMENT TO CAP PAST AND PRESENT PERS SERVICE
COSTS FOR MUNICIPAL EMPLOYERS AT 22 PERCENT**

WHEREAS, the State of Alaska created the Public Employees' Retirement System (PERS) in 1961 to provide a retirement system for state and participating municipal employees; and

WHEREAS, since its creation, PERS has evolved from being fully funded to being underfunded by billions of dollars; and

WHEREAS, the City of Fairbanks participated in PERS, but has never had managerial control of PERS; and

WHEREAS, the State Legislature passed SB 125 in 2008 to address the unfunded liability, which modified AS 39.35.255 to establish ~~an employer~~ a flat, maximum rate of 22% ~~for~~ on all defined benefit and defined contribution salaries paid by PERS non-state employers; and

WHEREAS, in an effort to work with the State in a shared solution that brings Alaskans together, the City of Fairbanks supported SB 125 and expressed that support through Resolution No. 4274; and

WHEREAS, since that time, non-state PERS employers have paid ~~over \$7.7~~ \$2 billion toward the unfunded liability; and

WHEREAS, the recently introduced SB 81 could potentially increase municipal contribution rates beyond 22% to liquidate past liabilities; and

WHEREAS, an increase to the contribution rate will have significant adverse impacts on municipalities and other non-state PERS employers; and

WHEREAS, maintaining the currently established PERS contribution rate remains the City's top legislative priority because an increase in the employer rate would create a financial burden on all local governments throughout the state and will result in a reduction of public services and jeopardize local infrastructure improvements.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

SECTION 1. The Fairbanks City Council urges the Alaska State Legislature to continue to honor its commitment to cap past and present service costs for municipal PERS employers at the current rate of 22 percent.

SECTION 2. The City Clerk is directed to provide the Interior Delegation with an executed copy of this resolution.

SECTION 3. The effective date of this resolution is six days after adoption.

PASSED and APPROVED this 10th Day of February 2025.



David Pruhs, City Mayor

YEAS: Marney, Sprinkle, Therrien, Cleworth, Tidwell, Ringstad
NAYS: None
ABSENT: None
APPROVED: February 10, 2025

ATTEST:

APPROVED AS TO FORM:



D. Danyielle Snider, MMC, City Clerk



Thomas A. Chard II, City Attorney