



MEMORANDUM

Date: January 5, 2017

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: Retirement Contributions for Fiscal Year 2017/18

We recently received notice from the Arizona State Retirement System (ASRS) regarding the changed contribution rates for Fiscal Year (FY) 2017/18. Most of our employees are covered under the standard ASRS, and the rate of increase in this plan is miniscule at 0.02 percent.

However, the increase for the Public Safety Personnel Retirement System (PSPRS) – where most of our deputies are covered – is increasing by 10.71 percent to a total salary contribution of 67.16 percent for deputies hired prior to January 1, 2015. For correction officers, the County will contribute an additional 2.43 percent; for probation officers 2.46 percent; and for County Attorney investigators an additional 18.18 percent. The table below provides the fiscal impact to the budget for next year as a result of the increases in the County's retirement contributions.

Retirement Contributions Fiscal Impact for FY 2017/18.

Retirement Plan	Percent Increase	Additional Cost
Public Safety	10.71	\$3,100,000
Corrections	2.43	551,000
Probation	2.46	405,000
Investigators	18.18	40,404
Elected Officials	0.00	0
All other employees	0.02	58,000

The largest single financial impact for these rates will be for the Sheriff, creating an additional unbudgeted expense of approximately \$3.2 million in addition to the \$16.5 million the County already pays for deputies. Adding this to the correction officer increase (\$551,000) means 88 percent of the total cost increase for retirement plans is incurred by the Sheriff's Department. This is an unbudgeted expense increase and must be accommodated in next year's budget through a tax increase or cost shifts from other programs.

c: The Honorable Kyle Bryson, Presiding Judge, Superior Court
The Honorable Barbara LaWall, Pima County Attorney
The Honorable Mark Napier, Pima County Sheriff
Tom Burke, Deputy County Administrator for Administration
Keith Dommer, Director, Finance and Risk Management
Robert Johnson, Budget Manager, Finance and Risk Management
Ron Jee, Financial Administrator, Sheriff's Department