



City of Grand Forks  
Staff Report

Pension Committee – April 20, 2020

City Council – May 18, 2020

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**Agenda Item: Actuarial Report for Defined Benefit Pension Plan**

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**Submitted by:** Maureen Storstad, Finance Director

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**Staff Recommended Action:** Receive and file report and authorize payment of the employer contribution to the plan as recommended \$3,505,780.

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**Committee Recommended Action:**

Motion to receive and file the report and direct staff to authorize payment of the employer contribution as recommended based on 7.25% assumption & RP-2014 mortality table

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**Council Action:**

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**BACKGROUND:** The City of Grand Forks sponsors a Defined Benefit Pension Plan for those employees hired prior to January 1, 1996. The City contracts with Deloitte Consulting LLP to prepare an annual valuation report for the plan. Phillip Souzek of Deloitte has served as our actuary. The plan is managed by the ND State Investment Board, with David Hunter as Executive Director.

The recommended employer contribution is \$3,505,780 which is slightly less than the budgeted amount of \$3,525,007.

**ANALYSIS AND FINDINGS OF FACT:**

- The City has a Defined Benefit Pension Plan for employees hired prior to January 1, 1996.
- The Pension and Insurance Committee (PAIC) reviewed the Annual Actuarial Report at their meeting on April 20, 2020.
- PAIC recommends payment of the employer contribution at the 2020 recommended amount of \$3,505,780, which is within budget. This comes with the recommended change in rate of return assumption from 7.5% to 7.25%.

**SUPPORT MATERIALS:**

- City of Grand Forks Actuarial Valuation Report and Presentation
- Copy of email summarizing the report material