



TOWN OF HAYMARKET TOWN COUNCIL

EMERGENCY MEETING ~ AGENDA ~

David Leake, Mayor
<http://www.townofhaymarket.org/>

15000 Washington St
Haymarket, VA 20169

Tuesday, July 17, 2012

8:00 PM

Council Chambers

1. Call to Order

Attendee Name	Present	Absent	Late	Arrived
Councilman Jay Tobias	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Councilman Milt Kenworthy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Councilwoman Mary-Lou Scarbrough	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Mayor David Leake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Councilwoman Rebecca Bare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Councilman Steve Aitken	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Councilwoman Katherine Harnest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

2. Agenda Items

A. Virginia Retirement System Employer Contribution Rate

3. Adjournment



TO: MAYOR AND TOWN COUNCIL
FROM: GENE SWEARINGEN
SUBJECT: VRS ER Contribution Rate
DATE: 07/17/12

Please see the attached resolution and communication from the Virginia Retirement System

ATTACHMENTS:

- VRS Resolution (DOCX)
- VRS ER Contribution Rate Resolution (PDF)

RESOLUTION

BE IT RESOLVED, that the Town of Haymarket, 55260, does hereby acknowledge that its contribution rates effective, July 1, 2012 shall be based on the higher of a) the contribution rate in effect for FY 2012, or b) seventy percent of the results of the June 30, 2011 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2012-2014 biennium (the "Alternate Rate") provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code §51.1-145 (l) resulting from the June 30, 2011 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT ALSO RESOLVED, that the Town of Haymarket, 55260, does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2012;

- The Certified Rate of 8.57%
- The Alternate Rate of 7.84%; and

BE IT ALSO RESOLVED, that the Town of Haymarket, 55260, does hereby certify to the Virginia Retirement System Board of Trustees that it has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of any election made under the provisions of this resolution; and

NOW, THEREFORE, the officers of the Town of Haymarket, 55260, are hereby authorized and directed in the name of the Town of Haymarket to carry out the provisions of this resolution, and said officers of the Town of Haymarket are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the Town of Haymarket for this purpose.

David Leake, Mayor

CERTIFICATE

I, Jennifer Preli, Clerk of the Town of Haymarket, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the Town of Haymarket held at the Town Council Chambers, Haymarket, Virginia at 8:00 p.m. on July 17, 2012. Given under my hand seal of the Town of Haymarket this 17th Day of July 2012.

Jennifer Preli, Town Clerk

Attachment: VRS Resolution (1070 : VRS ER Contribution Rate)



P.O. Box 2500, Richmond, Virginia 23218-2500
 Toll free: 1-888-VARETIR (827-3847)
 Web site: www.varetire.org
 E-mail: vrs@varetire.org

April 30, 2012

Town Of Haymarket 55260

Recent legislation calls for localities to make certain decisions by July 1, 2012 regarding employer and member retirement contributions. These include:

- Election/certification by your local governing body of your employer retirement contribution rate for 2012-2014, using one of the options allowed in the 2012 Appropriation Act, Item 468(H). We will keep you apprised of any amendments that would change these options.
- Election/certification by your local governing body of the member contribution your current employees will be required to pay beginning July 1, 2012 and the corresponding salary increase, as provided in Chapter 822 of the 2012 Acts of Assembly (Senate Bill 497).

I am pleased to provide you this resolution packet to assist you and your local governing body in the election process for these contributions. Your packet includes:

- Resolutions to be completed and returned to VRS
- Copy of Item 468(H)
- Copy of Chapter 822 (SB 497)

Resolution 1: Employer Retirement Contribution Rate Election

By no later than July 1, 2012, your local governing body must approve one of the following employer contribution rate options for the defined benefit retirement plan in the biennium beginning July 1, 2012:

- 8.57% – the rate certified by the VRS Board of Trustees for the 2012-2014 biennium; or
- 7.84% – the alternate rate, which is the higher of the current rate certified by the VRS Board for FY 2011-2012 or 70 percent of the VRS Board-certified rate for 2012-2014.

As a reminder, effective July 1, 2012, your contribution rates for Group Life Insurance and the Health Insurance Credit, as applicable, are:

- N/A – Group Life Insurance
- N/A – Health Insurance Credit

Considerations in Electing Your Contribution Rate

The intent of the language in the 2012 Appropriation Act, Item 468(H), is to offer localities and schools some budget relief for the coming fiscal year with respect to the amount of their retirement contributions. However, this does not change the Board-certified rate or the Annual Required Contribution (ARC). Therefore, if you are considering using the Alternate Rate, please be aware that doing so will:

- Reduce contributions to your employer account and the investment earnings they would have generated, which will mean there will be fewer assets available for benefits.
- Result in a lower funded ratio when the next Actuarial Valuation is performed and, thus, a higher calculated contribution rate at that time.
- Require that you include the Net Pension Obligation (NPO) under GASB Standards in the notes to your financial statements.

Resolution 2: Member Contribution Election

As provided under Chapter 822 of the 2012 Acts of Assembly (SB 497), all Plan 1 and Plan 2 school division and political subdivision employees must begin paying the 5 percent member contribution effective July 1, 2012. All employees hired on or after July 1, 2012 must pay the full 5 percent upon employment with no phase-in allowed. For current employees, the bill allows governing bodies to phase in the member contribution in each of the next five years or until current employees are paying the full 5 percent contribution, whichever is earlier. Phase-in increases must be in whole percentages of at least 1 percent of creditable compensation per year, with comparable offsetting salary increases.

By no later than July 1, 2012, your local governing body must approve the amount of the member contribution that current employees will pay beginning July 1. Your governing body also must certify that employees will receive a comparable offsetting salary increase effective July 1 of each year of the phase-in period.

Deadline for Resolutions

VRS must receive formal signed resolutions for the employer retirement contribution rate election and the member contribution election **by no later than July 10, 2012**.

Contribution Rate Resolutions
Page 3

Employer Webinar Scheduled for May 2 and May 3

To assist you with the election process, I would like to invite you to register for the “Upcoming Changes to VRS Contribution Rates” webinar. There are two sessions available:

- Wednesday, May 2, 2:00-3:00 p.m.
- Thursday, May 3, 10:00-11:00 a.m.

Online registration is available at www.varetire.org/RateChangeWebinar. The webinar also will be recorded and posted on the VRS website.

Meanwhile, if you have any questions about the information in this packet, please contact Ms. ZaeAnne Sferra, Employer Coverage Coordinator, at zsferra@varetire.org or (804) 775-3514.

Best regards.

Sincerely,



Robert P. Schultze
Director

Employer Contribution Rates for Counties, Cities,
Towns, School Divisions and Other Political Subdivisions
(In accordance with the 2012 Appropriation Act Item 468(H))

Resolution

BE IT RESOLVED, that the Town Of Haymarket 55260 does hereby acknowledge that its contribution rates effective July 1, 2012 shall be based on the higher of a) the contribution rate in effect for FY 2012, or b) seventy percent of the results of the June 30, 2011 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2012-14 biennium (the "Alternate Rate") provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(I) resulting from the June 30, 2011 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT ALSO RESOLVED, that the Town Of Haymarket 55260 does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2012:

(Check only one box)

- The Certified Rate of 8.57% The Alternate Rate of 7.84%; and

BE IT ALSO RESOLVED, that the Town Of Haymarket 55260 does hereby certify to the Virginia Retirement System Board of Trustees that it has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of any election made under the provisions of this resolution; and

NOW, THEREFORE, the officers of Town Of Haymarket 55260 are hereby authorized and directed in the name of the Town Of Haymarket to carry out the provisions of this resolution, and said officers of the Town Of Haymarket are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by Town Of Haymarket for this purpose.

Governing Body/School Division Chairman

CERTIFICATE

I, _____, Clerk of the Town Of Haymarket, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the Town Of Haymarket held at _____, Virginia at _____ o'clock on _____, 2012. Given under my hand seal of the Town Of Haymarket this _____ day of _____, 2012.

Clerk

**This resolution must be passed prior to July 1, 2012 and
received by VRS no later than July 10, 2012.**

Attachment: VRS ER Contribution Rate Resolution (1070 : VRS ER Contribution Rate)