



CITY OF KINGMAN COMMUNICATION TO COUNCIL

TO: Honorable Mayor and City Council

FROM: Tina Moline

MEETING DATE: June 16, 2026

AGENDA SUBJECT: Approval of Resolution No. 5624 - Adopting a Pension Funding Policy

SUMMARY:

The State of Arizona's Public Safety Personnel Retirement System is, as a whole, underfunded. Most of the trust funds within the system are significantly underfunded. To ensure cities and towns are addressing the issue, ARS 38.863-01 states that each governing body must adopt a pension funding policy annually and post the policy on the governing body's website.

As of the June 30, 2025 actuarial valuation report, the City of Kingman's Tier 1 and Tier 2 police and fire trust funds were underfunded by 4.5%, or \$4,020,519. The City's Pension Funding Policy establishes the following actions to achieve and maintain a funding status of 100% or greater for the police and fire pension plans:

1. Prepay the Annual Required Contribution (ARC), including the difference between the ARC and budgeted PSPRS expenditures; and
2. Make additional one-time contributions, as necessary, in the event that PSPRS investment returns or changes in actuarial assumptions result in the creation of an unfunded liability.

FISCAL IMPACT:

None.

STAFF RECOMMENDATION:

Approve Resolution No. 5624

SUGGESTED MOTION:

Approve Resolution No. 5624

ATTACHMENTS:

[Resolution 5624-Adoption of a Pension Funding Policy](#)