CITY OF STOUGHTON, 207 S FORREST ST, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL		
Creation of irrevocable fiduciary trust fund for Firefighters Pension Fund		
Committee Action:	Fireman's Pension Board recommended approval 6-0 on 11/21/22 Finance Committee recommended approval ____ on 12/13/2022	
Fiscal Impact:	To be determined	
File Number:	R-xxx-2022	**Date 12/27/22**

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

RECITALS:

WHEREAS, the City of Stoughton has maintained a single-employer pension fund for volunteer firefighters and their spouses since before 1983; and;

WHEREAS, the City of Stoughton follows Governmental Accounting Standards Board Statement No. 73 (GASB 73) *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68;* and,

WHEREAS, the City of Stoughton contracts with Milliman, Inc. to perform required actuarial studies in relation to GASB 73 for its single-employer pension fund; and,

WHEREAS, the GASB 73 Disclosure Statement for Fiscal Years 2021 and 2022 as prepared by Milliman, Inc indicated a Total Pension Liability of $1,239,426; and,

WHEREAS, the audited financial statements for the City of Stoughton as prepared by Baker Tilly US, LLP indicate that the Fireman's Pension Fund has cash and investments at December 31, 2021 of $904,009 held within that Special Revenue Fund; and,

WHEREAS, these cash and investments are the result of life-to-date restricted revenue sources including:

- 2% Fire Dues received from the State of Wisconsin *to wholly or partially fund fire fighters' pension funds or special funds for the benefit of disabled or superannuated fire fighters,*
- Payroll deductions from current volunteers for their required contribution to the single-employer pension fund, and,
- Investment earnings on these restricted revenue sources; and,

WHEREAS, annual pension payments, actuarial fees and other administrative charges are offset against the restricted revenues listed above resulting in a Restricted Fund Balance of $904,009 as of December 31, 2021 for the Special Revenue Fund of Fireman's Pension Fund;

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and,

WHEREAS, current accounting and actuarial standards do not allow the inclusion of these cash and investment accounts in the actuarial valuation because they are not held within an irrevocable trust; and,

WHEREAS, the Director of Finance/Comptroller recommends the creation of an irrevocable fiduciary trust for the City of Stoughton's Firefighters Pension Fund; and,

WHEREAS, the City of Stoughton Fireman's Pension Board approved going forward with the creation of an irrevocable trust for the city's single-employer firefighter pension fund at their November 21, 2022 meeting;

NOW THEREFORE BE IT RESOLVED, that the Director of Finance/Comptroller and Fire Chief are hereby authorized to begin the process of creating an irrevocable fiduciary trust for the City of Stoughton single-employer pension plan for the volunteer firefighters and their spouses; and,

BE IT FURTHER RESOLVED, that the Director of Finance/Comptroller and Fire Chief shall work with Milliman, Inc, Baker Tilly US, LLP and Stafford Rosenbaum, LLP in the creation of said irrevocable fiduciary trust in order to be in compliance with all actuarial, governmental accounting and legal requirements for said irrevocable fiduciary trust; and,

BE IT FURTHER RESOLVED, that the City of Stoughton Finance Committee shall be the committee responsible for oversight on the creation of the irrevocable fiduciary trust; and,

BE IT FINALLY RESOLVED, that the Common Council for the City of Stoughton shall have the final approval of the creation of the irrevocable fiduciary trust once finalized by all parties involved.

Fiscal note: Fees charged by the above vendors are unknown at this time but will be recorded in Fund 243 Fireman's Pension Fund.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Mayor Tim Swadley Date

Council Action: _____ ☐ **Override** **Vote** _____

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