



## THE CITY OF SPRINGFIELD, MASSACHUSETTS

MAYOR DOMENIC J. SARNO

*HOME OF THE BASKETBALL HALL OF FAME*

### **PRESS RELEASE**

FOR IMMEDIATE RELEASE

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### **Mayor Sarno and CAFO Plante Announce Pension Reserve Initiative and Aggressive Funding Schedule**

Springfield, MA – Mayor Domenic J. Sarno and Chief Administrative and Financial (CAFO) Officer Timothy J. Plante have been having detailed conversations over the past few fiscal years about the pension fund schedule. As previously stated by the Public Employee Retirement Administration Commission (PERAC), the City of Springfield, PERAC and the Retirement Board in April of 2016 agreed to an aggressive pension funding schedule effective for FY 2018. This sets the City's pension fund on course to be fully funded by 2034.

Mayor Sarno said, "Faced with the worst economy since the great depression, natural and man-made disasters; the Sarno Administration continues to solidify the City's fiscal foundation. I am extremely proud of our award-winning financial team headed by CAFO TJ Plante. Our goal will continue to be efficient, effective, strategic and compassionate in our management of City finances."

CAFO TJ Plante stated, "I am glad we are taking an aggressive approach on the funding schedule that balances core services and the needs of the tax payers, and still allows us to address our long term liability."

This approach has led to the highest bond ratings in the City's history, Standard & Poors' Rating Services AA- and Moody's Investor Services A2 with a positive outlook. Standard & Poors' cites strong financial management, strong budgetary flexibility and very strong debt and contingent liability position as factors for the AA- rating.

In addition to the aggressive funding schedule, the City is also establishing a reserve account for pensions. This will be 15% of certified free cash which equates to \$721,487. Mayor Sarno will sponsor the appropriate orders for the June 20, 2016 City Council meeting. This allows the City to set aside a dedicated funding source to address future liabilities in the pension system.

For further information please contact CAFO TJ Plante at (413) 787-6215.

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