

Senate Appropriations Committee 2/11/2021

Legislative Testimony for SB 2046

City of Fargo: Support

Chairman Holmberg and members of the Senate Appropriations Committee I am Kent Costin, Director of Finance for the City of Fargo. We submit our testimony in favor of this NDPERS funding bill.

The City of Fargo currently manages three defined benefit plans and is a member of NDPERS for our non-public safety employees. We recognized the need to increase funding of our defined benefit pension obligations after a detailed study in concluded in 2012. We adopted a funding policy after the study that increased both employee and employer contributions and additional actuarial contributions needed to reach a fully funded status within a twenty-year timeframe. We are happy to report that our plan is working and we are actually somewhat ahead of our projected funded status.

There are several funding bills introduced this session. This bill follows the most logical approach in allowing the State and political subdivisions to grow into a higher contribution over time. An increase in the employer contributions by 1% and the employee by 1% is an increase that we can absorb into our 2022 budget to help improve the NDPERS funded status over time.

Other bills introduced this session (HB 1209 and SB 2042) are budget busters that would have a dramatic impact on our State and local budgets. We are hopeful that these bills will be defeated and that SB 2046 will pass.

Please support a DO PASS vote on SB 2046. Thank you for allowing us to submit our testimony.