

RESOLUTION 2020- 06
CITY OF SOMERSET, KENTUCKY

WHEREAS, The City of Somerset has employees vested in the County Employees Retirement System;

WHEREAS, employer contribution rates for the County Employees Retirement System continue to increase, putting a strain on municipal budgets;

WHEREAS, total assets of the County Employees Retirement System are about \$13.5 billion, and it is 76% of pension assets controlled by the Kentucky Retirement Systems;

WHEREAS, the current 17-member Kentucky Retirement Systems Board of Trustees has only six seats for County Employees Retirement System representatives;

WHEREAS, the Kentucky Retirement Systems Investment Committee has no County Employees Retirement System representatives and the Actuarial Subcommittee has only one seat for a County Employees Retirement System representative;

WHEREAS, the Kentucky Retirement Systems earns investment income for the County Employees Retirement System below amounts earned by peer groups, and investment income is a vital component of improving the pension system's funding level;

WHEREAS, a CERS Board of Trustees solely focused on investment decisions, actuarial data and asset allocations of the County Employees Retirement System would ensure decisions made for the system are in its best interest;

WHEREAS, House Bill 484 creates a nine-member County Employees Retirement System Board of Trustees whose sole responsibility is the management of the County Employees Retirement System;

WHEREAS, it is in the best interest of the City of Somerset and its employees that the County Employees Retirement System functions in an affordable and actuarially sound manner;

NOW, THEREFORE, BE IT RESOLVED That the Council of the City of Somerset supports House Bill 484 and calls upon the General Assembly and legislators representing this community to pass the measure to reorganize the Kentucky Retirement Systems and create an independent County Employees Retirement System Board of Trustees.

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