



Louisville Metro Government

Legislation Text

File #: R-037-20, Version: 1

RESOLUTION NO. _____, SERIES 2020

A RESOLUTION SUPPORTING THE REORGANIZATION OF KENTUCKY RETIREMENT SYSTEMS AND THE CREATION AN INDEPENDENT COUNTY EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES.

SPONSORED BY: PRESIDENT JAMES AND COUNCIL MEMBERS HOLLANDER, SEXTON SMITH, PIAGENTINI, AND FLOOD

WHEREAS, Louisville/Jefferson County Metro Government (“Louisville Metro”) has employees invested in the County Employees Retirement System;

WHEREAS, Louisville Metro has the second most covered employees in the County Employees Retirement System, constituting 5.39% of the total system as of June 30, 2019;

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, in 2014 and 2017, the Legislative Council of the Louisville/Jefferson County Metro Government (“the Council”) approved resolutions supporting the separation of the County Employees Retirement System from the Kentucky Retirement Systems;

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; and

WHEREAS, it is in the best interest of Louisville Metro and its employees that the County Employees Retirement System functions in an affordable and actuarially sound manner.

NOW, THEREFORE, BE IT RESOLVED NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (“THE COUNCIL”) AS FOLLOWS:

SECTION I: The Council 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.

SECTION II: A copy of this Resolution shall be sent to each member of the Kentucky State Legislature.

SECTION III: This Resolution shall take effect upon its passage and approval.

Sonya Harward
Metro Council Clerk

David James
President of the Council

Greg Fischer Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

BY: _____

R-037-20 Resolution re separation of CERS from KRS - mhh - 2-28-2020