

RESOLUTION 2017
CITY OF SOMERSET, KENTUCKY

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

WHEREAS, the County Employees Retirement System is currently funded at 62 percent, a higher funded ratio than it was prior to passage of SB2;

WHEREAS, the Kentucky Employees Retirement System is the worst funded system in the U.S. and was noted by R.V. Kuhns, Inc. as being set to undergo financial hurdles of "persistent funding shortfalls, elevated contribution levels, unsustainable payout ratios and in the worst-case scenario, the potential for the complete depletion of the asset base";

WHEREAS, total assets of the County Employees Retirement System are about \$12 billion, 73 percent of the total Kentucky Retirement Systems' assets;

WHEREAS, administrative costs for the Kentucky Retirement Systems have increased 245 percent since 2000, and the County Employees Retirement System pays 63 percent of those costs;

WHEREAS, the County Employees Retirement System is on an upward funding trajectory and an independent actuary predicts it will be 100 percent funded by FY 2043, without any structural changes to the plan;

WHEREAS, separation of the County Employees Retirement System would result in the creation of a new nine-member board whose sole responsibility would be the management of the County Employees Retirement System;

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

WHEREAS, separation of the County Employees Retirement System from the Kentucky Retirement Systems would mean local control of local pensions and would ensure the needs of the County Employees Retirement System are met so it can continue its current path of growth for years to come;

NOW, THEREFORE, BE IT RESOLVED That the City Council of the City of Somerset supports maintaining the current structure and benefits of the County Employees Retirement System while separating it from the Kentucky Retirement Systems.

A handwritten signature in black ink, appearing to be "Matt", written in a cursive style.