

Introduced By: Mayor Cleworth

Date: February 27, 2012

RESOLUTION NO. 4514

**A RESOLUTION URGING THE ALASKA LEGISLATURE TO REFRAIN
FROM ENACTING ANY LEGISLATION THAT WOULD INCREASE
THE STATE'S PENSION LIABILITY**

WHEREAS, the State enacted the Public Employee Retirement System ("PERS") and Teacher's Retirement Systems ("TRS") in the 1960's; starting in 1986, the state has reduced benefits several times with the most recent changes in 2005:

- Closing the defined benefits ("DB") programs of PERS and TRS and providing a defined contribution ("DC") program to public employees.

- Capping the PERS rate paid by municipalities to 22% and subsidizing the difference between that rate and the actuarial rate with a statewide appropriation so local governments do not have to share the full burden with local taxpayers.

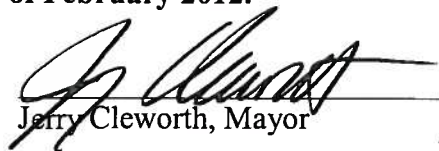
- Capping the TRS contribution to 12.56% and again subsidizing the difference between that rate and the actuarial rate with a statewide appropriation so local school districts do not have to take money out of the classroom in order to pay their rising TRS costs.

WHEREAS, the current statewide liability for PERS & TRS now totals \$11 billion; the most recent state appropriation for these programs was \$470 million and rising in the coming year to \$610.5 million; and

WHEREAS, there are pending proposals to amend the pension plans that will increase benefits, which would limit the state's ability to properly fund other deserving programs and increase the portion paid by municipal employers.

NOW, THEREFORE, BE IT RESOLVED, that the City of Fairbanks urges the legislature to refrain from making any amendments to the PERS and TRS system that would increase the costs and liability of the programs.

PASSED and APPROVED this 27th Day of February 2012.

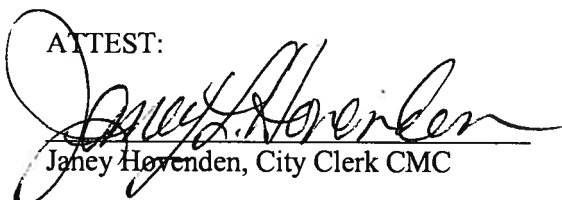

Jerry Cleworth, Mayor

AYES: PASSED and APPROVED on the Consent Agenda

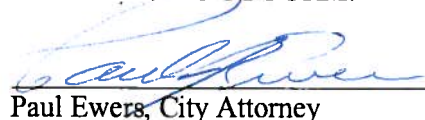
NAYS:

ABSENT:

ATTEST:


Janey Hovenden, City Clerk CMC

APPROVED AS TO FORM:


Paul Ewers, City Attorney