



Lexington-Fayette Urban County Government
OFFICE OF THE MAYOR

Jim Gray
Mayor

Feb. 19, 2013

Contact: Susan Straub
Office: 859-258-3111
Cell: 859-576-2564

VOTES SHOW 76% ACTIVE, RETIRED POLICE OFFICERS, FIREFIGHTERS SUPPORT PLAN

Rep. Palumbo files bill to reform Lexington's police and fire pension

FRANKFORT - Rep. Ruth Ann Palumbo today filed a bill to comprehensively reform Lexington's police and fire pension fund.

"I'm happy to work with the men and women who risk their lives every day protecting each of us," Palumbo said. "This plan makes their pension solvent and is a fiscally responsible answer to this crisis."

House Speaker Greg Stumbo said, "I think this is a good plan ... a good start. I look forward to seeing this move forward and putting the pension system on firm financial ground."

FOLLOW MAYOR GRAY:

www.facebook.com/JimGrayLexKY www.twitter.com/JimGrayLexKY

House Bill 430 is based on an agreement hammered out among the Mayor's Office, police and fire unions and pension board members. Any significant change to Lexington's police and fire pension fund requires approval from the Kentucky General Assembly and the governor.

In votes since the agreement was announced in January, 76 percent of active and retired police officers and firefighters supported the plan.

The plan reforms the pension and cuts the unfunded liability almost in half ... from \$300 million to \$160 million dollars.

The filing of the bill comes on the heels of votes by active police officers and firefighters, and police and fire retirees, who all overwhelmingly supported the plan. The vote tallies were:

- Active firefighters: 304 yes, 126 no. 70% percent approval.
- Active police officers: 341 yes, 59, no. 85% approval.
- Retired firefighters: 226 yes, 112, no. 67% approval.
- Retired police officers: 262 yes, 57 no. 82% approval.

Mayor Jim Gray said, "This is a comprehensive, honest and responsible way to put our police and fire pension system on an affordable, sustainable path while preserving a dignified retirement for our police officers and firefighters. Across the country, cities and states are wrestling with pension reform. In Lexington we have found a solution through compromise."

Capt. Chris Bartley, President of Local 526, International Association of Fire Fighters, said, "Although not a joyous time for our members, it is a time to protect our pension that firefighters and police officers have earned and paid large sums of their own money in the fund to have a dignified retirement since we do not have Social Security like the rest of the general public. To ensure passage, we will now work with the city officials, legislators and the Governor."

Lexington Fraternal Order of Police President Mike Sweeney said, "These men and women of the police and fire departments, both active and retired, have made big sacrifices here. But they also recognize that it is the right thing to do to save, protect, and sustain this pension for current retirees as well as all

members who will ultimately be there after faithfully, selflessly, and diligently serving and protecting this city for 20 plus years. Just as important, over half of our pensioners, who are on the lower tier of the system, will continue to receive a 2% COLA each year until this pension reaches solvency.”

The bill includes lower annual cost-of-living adjustments, increased contributions from active and future employees and a remodeled new-hire plan. The city has agreed to increase its payments to the Policemen’s and Firefighters’ Retirement Fund by \$9 million a year and bind itself to paying down the unfunded liability over 30 years.

Gray credited consultants Public Financial Management for its role in assisting the city in putting together the pension plan.

-30-