



Lexington-Fayette Urban County Government
OFFICE OF THE MAYOR

Jim Gray
Mayor

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COMPROMISE PLAN STRENGTHENS PENSION, RESTORES CITY'S FINANCIAL HEALTH

Senate OKs Lexington pension bill

FRANKFORT – The Kentucky Senate today approved a bill to comprehensively reform Lexington's police and fire pension fund. The bill will now be sent to Governor Steve Beshear to be signed into law.

"This is a remarkable day for Lexington," said Mayor Jim Gray, who thanked the legislators. "Once the Governor signs this legislation, we've solved the biggest fiscal problem facing the city. Our city's financial health will be restored for the long-term." The plan immediately cuts the pension fund's \$296 million unfunded liability almost in half to \$161 million.

Senate President Robert Stivers said, "Congratulations to Lexington and its citizens! HB 430 is an example of how local citizens and officials can define and prepare for their own future."

Lexington Senator Alice Forgy Kerr, "I am thrilled that we finally have achieved a bipartisan consensus on HB 430. I commend everyone who came to the table in good faith. This bill will serve to

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strengthen community ties and protect the retirement of our first responders.” House Bill 430 was unanimously approved by the House on Feb. 25.

Gray commended leaders of the police and fire unions and retirees for working together and for their willingness to compromise. “Lexington has been struggling to reform its pension for years,” Gray said. “This agreement was made possible through the support of police officers, firefighters and retirees.” Of the 1,487 retired and active police officers and firefighters who voted on the proposal, 76 percent supported it.

Capt. Chris Bartley, President of Local 526, International Association of Fire Fighters, said, “This compromise on our pension came out of necessity to protect our pension. Our firefighters and police officers have earned and paid large sums of their own money into the fund and this bill provides a defined benefit and a dignified retirement since we do not get Social Security like the rest of the general public. We thank the legislators in both houses for passing this bill and we will now work with the Governor's office to get the bill signed.”

Detective Robert Sarrantonio, Vice President of Bluegrass Lodge #4, said, “I am proud that the City of Lexington, police and fire could all come together to fix our pension system. Together we have strengthened the system that our police officers rely on in their retirement, and we have done it in a responsible way that is built to last.”

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.”

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 thanked the Council for its support. “This has taken five years and has involved several councils, bu

The Mayor credited consultants Public Financial Management for its role in assisting the city in putting together the pension plan. He thanked Commerce Lexington and the Lexington Industrial Foundation for helping to pay the consultant’s fee.

Gray also thanked the Pension Task Force and co-chairs Tim Kelly and Gene Vance for their work on the plan.

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