

DENALI BOROUGH, ALASKA

RESOLUTION 14-01

**A RESOLUTION EXPRESSING STRONG SUPPORT FOR GOVERNOR PARNELL'S
PROPOSAL TO APPROPRIATE \$3 BILLION FROM THE CONSTITUTIONAL BUDGET
RESERVE INTO THE ALASKA RETIREMENT TRUST FUNDS IN 2015**

WHEREAS, the combined unfunded liability of Alaska's Public Employees Retirement System (PERS) and Teachers Retirement System (TRS) is \$11.8 Billion as of June 30, 2012; and

WHEREAS, the funded ratio of PERS is 61.3% and TRS is 52.1% as of June 30, 2012; and

WHEREAS, the Governor has identified the state's unfunded pension liability as Alaska's biggest budget driver, with annual state assistance payments expected to exceed \$1 Billion per year without a substantial cash infusion directly into the retirement trust funds; and

WHEREAS, state assistance payments on behalf of municipalities provide significant rate relief to local taxpayers, provide budget predictability and stability to local governments, and crucial to the financial health of Alaska's municipalities and school districts; and

WHEREAS, Governor Parnell's plan is in the best interests of the retirement systems, the state of Alaska and its municipalities by honoring Alaska's constitutional obligations, reducing annual state assistance contributions to a more predictable and sustainable \$500 Million per year, increasing the funded status of the PERS and TRS by 10%, honoring the state's previous commitment to pay employer contribution rates of 22%, allowing for future interest earnings to offset future contribution requirements, reducing pressure on future state and local government budgets and strengthening the credit rating of the state of Alaska and its municipalities.

NOW THEREFORE BE IT RESOLVED that the Denali Borough Assembly expresses strong support for Governor Parnell's proposed transfer of \$3 Billion from the Alaska State's Constitutional Budget Reserve directly into the retirement trust funds.

BE IT FURTHER RESOLVED that the Denali Borough Assembly expresses strong support for Governor Parnell's proposal to continue to provide \$500 Million per year in state assistance payments on behalf of municipalities and school districts.

PASSED and APPROVED by the DENALI BOROUGH ASSEMBLY this 8TH day of JANUARY, 2014.



Mayor Clay Walker

ATTEST: 

Gail Pieknik, Borough Clerk



*PASSED UNANIMOUSLY
ABSENT: ZIMMERMAN, WEIBEL, DEBLAUW*