



A RESOLUTION OF THE ALEUTIANS EAST BOROUGH IN SUPPORT OF PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS) REFORM

WHEREAS, the Aleutians East Borough contributes to the Public Employee Retirement System (PERS); and

WHEREAS, included in Senate Bill 125 in 2008 was language requiring municipalities to pay termination costs and “below the floor costs” on the termination of a department, group, or classification of employees; and

WHEREAS, those lay-offs that are made up of a department, group, or classification will result in a charge to local governments for the actual study, followed by charges for each of those employee’s past service costs for approximately 30 years; and

WHEREAS, if the total base salary of any municipality falls below what it was in 2008 (the year of Senate Bill 125), then charges will be assessed on that drop, as well; and

WHEREAS, these rules severely limit the ability of municipalities, from being agile in the workplace, including eliminating no longer needed departments, groups, or classifications; and

WHEREAS, these rules also limit the ability of municipalities, from creating new needed departments, groups, or classifications for fear of future termination studies and termination costs extending up to 30 years in the future; and

WHEREAS, municipalities require agility and adaptability in the workforce to meet changing needs; and

WHEREAS, with our current state fiscal crisis, municipalities may need to make reductions or increases in the workforce; including entire departments, groups, or classifications of employees; and

WHEREAS, the Aleutians East Borough is impacted by this requirement because the Borough Fiscal Year 2008 salary floor was not met during Fiscal Year 2018, resulting in an additional contribution amount due of \$46,786.02.

NOW THEREFORE, BE IT RESOLVED the Aleutians East Borough Assembly is in support of reforming the Public Employee Retirement System.

PASSED AND ADOPTED by the Aleutians East Borough on this 14th day of February 2019.


Alvin D. Osterback, Mayor

ATTEST:


Tina Anderson, Clerk