



TO: Mayor Gorton and the Urban County Council

FROM: Abigail Allan, Council Clerk's Office

DATE: August 11, 2025

SUBJECT: City Employees' Pension Fund Annuity Increase/ Ordinance Amendment

Request:

Authorization to amend Section 6-53 of the Code of Ordinances to provide for a three percent (3%) increase, effective January 1, 2026, to each retiree or beneficiary's base annuity. The increase will apply to all annuity payments made after January 1, 2026. The pension is a "closed" fund, and as of July 2025, there are 7 retirees and 18 beneficiaries participating in the fund, which is over 600% funded.

Why are you requesting?

On July 29, 2025, the Board voted unanimously to increase the base annuity pay to provide a 3% annuity increase to retirees, and beneficiaries, participating in the City Employee's Pension Fund. The prior COLA increase was approved in 2024, and the Ordinance is attached for reference (O-114-2024). The projected financial impact listed in the table below is based on the most recent data available:

	Current Scenario	Base Adjustment Increase 3.0%
Nominal Dollars of Projected Payments²	\$ 7,601,863	\$ 7,829,919
Actuarial Accrued Liability¹	\$ 5,301,497	\$ 5,460,544
Funded Ratio¹	650.2%	631.2%
Liability Defeasing Portfolio³	\$ 5,464,872	\$ 5,628,820



Are the funds budgeted?

The funds are budgeted or a budget amendment is in process: Funds are fully budgeted

Account number: 5002-505004-0001-6XXXX

File Number: 0757-25

Director/Commissioner: Allan/Hamilton

