

February 1, 1982

LB 387

retirement date." Now in all fire and police pension programs in question if they were contributor programs and an employee's entitlement were based on what he contributed and what the city contributed, plus the accrued interest, I am sure Fremont would have no problems with LB 387, perhaps with the exception of the local determination issue which is another one that can be addressed. But for the basic reason that we are going to be considering an alternative in LB 936, I urge the body to vote no for the advancement of this current bill, 387.

PRESIDENT: The Chair recognizes Senator Fowler.

SENATOR FOWLER: Mr. President, I would say that Senator DeCamp has perhaps overstated the impact of this bill on the situation of the unfunded liability, not trying to underplay the situation that certain communities have with certain other pension funds. Senator DeCamp leaves the impression though that no dollars have been contributed, and, in fact, in the case of the Fremont fire system \$245,000, according to the actuarial study, is the value of the assets they currently have in their plan. Now their liabilities are greater than that and that is where the unfunded liability comes in. But the Fremont police system is overfunded. The actuarial value of the assets according to the Towers, Perrin, Forster and Crosby study, the value of the assets are \$58,000 above the liabilities. So in one system, yes, they are underfunded but in another system they are overfunded. And if they are overfunded in a system, I can't see any reason at all in that situation to worry about this bill. And in the case of underfunding, there are dollars, unlike what Senator DeCamp indicated, there are dollars in funds that if an employee left and wanted to withdraw the money, there are dollars in all the systems to fund that. So I don't think the crisis is as great. And let me stress again that the League of Municipalities bill is a future...for future employees and future contributions, is not an alternative to 387 because it does not deal with what the employees have contributed over the last 10 or 12 years or however long they have been in service. So they are not alternatives. You could do both but in any case if you wanted to solve the problem with existing employees, you have to pass 387. So I would urge that it be advanced after all this debate. It seems to me that if there is a need to compare in peoples' minds the two bills after the hearing, that that can be done as well on Select File as General File, and I think that there would be that opportunity. After all