

RESOLUTION NO. 2006-03

**A Resolution Requesting Legislative Action to Address
Wisconsin Retirement System Liabilities**

WHEREAS, the State of Wisconsin is one of the highest taxed states in the nation, and currently ranked 5th in total State and local tax burden; and

WHEREAS, the State pension is currently one of the most lucrative in the United States, requiring annual employee contributions totaling less than 2.6 percent; and

WHEREAS, the remaining contributions that are due to the State pension system are the burden of the taxpayers of the State of Wisconsin further increasing the unfunded State tax burden; and

WHEREAS, the State pension system currently has an ever-increasing gap between current assets and liabilities, estimated to be in excess of \$10 billion; and

WHEREAS, only about 18% of private industry in the United States still subscribe to defined benefit pension plans, and 90% of local and state governments within our Country still offer this expensive system to their employees; and

WHEREAS, the Federal Government converted from a defined retirement benefit plan to a defined contribution plan for new employees on January 1, 1984.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council of the City of Cedarburg, Wisconsin, for the reasons stated above, encourages the State Legislature and the Governor to initiate legislative action adopting the model of the State of Alaska creating a 401k retirement plan for all new state and local government employees; and

BE IT FURTHER RESOLVED, that a copy of this resolution be transmitted to Governor Jim Doyle, State Senator Glenn Grothman and State Representative Mark Gottlieb, local media and the League of Wisconsin Municipalities.

Passed and adopted this 13th day of February 2006.

Gregory P. Myers, Mayor

Attest:

Sandra M. Ingram, City Clerk

Approved as to form:

Kaye K. Vance, City Attorney