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## A Template for Fixing America's Public Pensions.

***One city deep in the heart of horse racing country may have some lessons for the rest of the U.S.'s underfunded retirement systems.***

Kentucky, home to arguably the most famous annual horse race on the planet, has produced a lot of remarkable turnaround stories over the years. In May 2009, when the world was mired in a recession, a little-known contender called Mine That Bird had 50-1 odds to win the Kentucky Derby. In a competition that's earned its reputation as "the greatest two minutes in sports," the horse weaved past 18 other thoroughbreds to cross the finish line first.

A lesser-known dark-horse tale happened a couple of years later about 80 miles east of the derby grounds, still in Kentucky's equine country. Instead of a race, however, the odds were on whether Lexington's newly elected mayor would be able to bring the city's mismanaged pension system back from the brink of a crisis.

There was no such thing as a sure bet in this case. And yet the pension reforms that Mayor Jim Gray, a former construction company chief executive officer elected in 2010, has been able to achieve might serve as an example to other U.S. municipalities whose retirement systems are in deep debt. The Federal Reserve estimates that public pensions in the U.S. are underfunded by about $1.6 trillion. Over the past several years, pensions have been battered by a stock market crash, a recession, and a wave of workers reaching retirement age.

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**Bloomberg Markets**

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June 5, 2018, 2:00 AM PDT

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