



# Kentucky Public Retirees

## BLUEGRASS EAST CHAPTER

December 2015 Newsletter

### Meeting Information

12:00 PM (ET), 2nd Wednesday  
Golden Corral  
185 E. New Circle Road  
Lexington, KY  
Contact Doug Price  
(859) 797-7600 for information

### UPCOMING MEETINGS

- January 13, 2016: Representative from Foot Boonesborough State Park.  
February 10, 2016: David Peden—Chief Investment Officer Kentucky Retirement Systems

Letter writing Campaign: Scheduled to end today but being extended to allow everyone to write their Legislators! Our Goal is 225 letters— approximately 1 per member. Presently we are at 20% of our goal. Responses from legislators have been positive.

**Don't forget to write letters to your Legislators—Fund the ARC!!!!!!**

The Lobbying Committee of KPR is organizing a gathering of KPR members in the Kentucky Capitol Rotunda and Mezzanine from 12:30 pm— 2:00 on January 27, 2016. More details to follow. We will carpool and hope to have many members of BGE attend.

## The Bank of the Commonwealth of Kentucky

A short story by  
Doug Price

*Forward: apologies if any bankers are offended; that certainly was not my intent! Also, there really was a Bank of the Commonwealth of Kentucky that was created by the Legislature of the Commonwealth!*

Yesterday I was walking around downtown just soaking in the beautiful weather and walking down the street (with that proverbial smile) was the local banker. He was accompanied by another bank employee and remarkably she too had that always present smile!

He greeted me with the usual: "Hello, Pardner!" I guess he knows my name but you can never really know.

Mr. Smith immediately asked about the kids and the grandkids and the Ms. Plus Ms. Jones chimed in and asked how things were at my work place (I'm retired but that's okay).

I said "I wanted to ask you" – Mr. Smith interrupted me and said: "I know what you are going to ask and I can assure you that everything is okay with the bank!"

He continued, "Several years ago we identified that we needed more capital – the stories you hear about us only having \$.19 on the dollar to protect your deposits are true – *according to the auditors*. But we fixed this problem a couple of years ago."

Ms. Jones said, "Yes, this is my area of expertise and your money is safe with us. We do advise our customers' not to withdraw their money at this time – the more money we keep in the bank the better it is for you in the long run.

I thought about this for a few seconds and said, "How in the world did this happen?"

Mr. Smith scratched his head and said, "Hmm. That is a good question. The best answer I have is that some bank officials (without my knowledge, of course) decided to do other things with the money and then we had that economic downturn which created most of the problem."

"But don't worry your money is safe at our bank and you can take that to the bank!"

I said, "What steps are you taking to make sure my money is safe and there when I need it?"

Mr. Jones said, "Well, we are going to gradually add more capital so that in the next 30 years – why, your money will be funded at over \$.50 on the dollar! Isn't that amazing?!"

Mr. Smith said, "Now you may hear that the auditors think the bank has a 5% - 8% chance of failure – I like to think of the positive: the Bank has a 92% - 95% chance of success!"

"Well, Ms. Jones and I need to leave now. We have a big meeting to talk about the upcoming Chamber Golf Tournament! Don't forget – you and the other depositors of our bank can go about your busy lives no worries about your money. Whenever you need the money we'll make sure 'the check is in the mail!'"

Postscript: On 29 November, 1820, the Legislature of Kentucky passed an act establishing a bank by the name of "The Bank of the Commonwealth of Kentucky." The first section of the act declares the bank shall be established "in the name and behalf of the Commonwealth of Kentucky" under the direction of a president and twelve directors to be chosen by the legislature.

The Bank was shut down after being involved in a complicated suit that made it all the way to the Kentucky Supreme Court!