

OTHER CA AGENCIES' PENSION STRATEGIES

Agencies	Population	Examples of Pension Solutions for police, fire and largest general employees
Solutions Reached in 2010		
San Jose	1,006,892	Currently negotiating a "second-tier" with its 11 employee unions. Fire & Inspectors MOUs expired 2009, all others expire 6/30/2011. Current Fire negotiations include compensation reductions and changes to minimum staffing. All employees made compensation adjustments in 2010 of 5% permanent salary reduction and 5% one time reduction, but no changes in pension formula. Current Safety Formula is 2.5%@50 and Miscellaneous is 2.5%@55. Note that San Jose is not a PERS or 37 Act system but rather "their own", known as the Federated City Employees Retirement System.
State of California	37,253,956	In 2010, six unions agreed to deferred raises, changes to the pension formula that increases retirement the age and increase of 2%-4% in PERS pick up, in exchange for furlough protection, continuous appropriations, increased retiree health benefits and addition of a new top step to offset pick up.
Orange County	141,634	Approved a contract with the Sheriffs union for new tier of 3%@55 from 3%@ 50 for new hires and requires deputies to contribute part of their pension costs. Miscellaneous new employees option of 1.62%@55 - note that there are pending IRS issues with OCERS retirement changes. Fire is contracted with OCFA.
Sacramento County	1,445,327	Deputy Sheriffs' Association agreed to contract changes, including higher pension payments by employees and lower retirement benefits for new employees.
Santa Rosa	161,496	City imposed a two-tiered pension system on Miscellaneous (but not Fire and Police as their contracts don't expire until 2012). Operating Engineers unit subsequently filed an unfair labor charge. New hires tier is 2%@55 from 3% @60, maximum pension reduced to 75% of salary from 90%. Have not yet negotiated new average base which is currently single highest year. Miscellaneous employees already pay full 8% pickup, Fire & PD pay 0%, except Safety Managers pay full 9%.
Newport Beach	86,252	Fire and Police agreed to pay 3.5% pick up in a way that their EPMC will not be affected. New hires have full 9% pickup for the first 5 years, then it is reduced to paying 3.5%. Police have a two year sunset clause for that plus and increase of \$150 per month towards cafeteria plan (\$75 in yr 1, \$75 in yr 2). No new tier for Safety. Miscellaneous will have full 8% PERS pickup by 2012 (currently is 3.42%). By 2012 an increase of \$200 towards cafeteria plan. Salary increase in 2012 of 1.5%-3% depending on CPI. New tier 2%@60 & 3 yr average salary base. Eff. 1/1/11 the 9/80 schedule will be every other Friday off.
Oakley	24,468	City Council approved a two-tiered pension plan for Miscellaneous of 2% @ 60 from 2.5% @55. Fire and Police are contracted services.
Recent Agreements		
Gilroy	51,508	Police will pay full pickup or 9% from 0% in exchange for 80 additional hours personal leave for the period of 2010-2012 only and \$85 per month increase by 2012 for medical coverage. New tier 2%@50. Fire will pay full 9%, minimum staffing reduced to 3-man crews, new tier 2%@55. Both PD & FD have agreed not to initiate or support and ballot or charter amendments affecting binding arbitration or labor relations. Miscellaneous has 24 days furlough for FY10 & FY11 with City Hall closing 1st & 3rd Fridays plus the 4% scheduled raises those years eliminated.
Campbell	40,420	Police 36 hours furlough & new tier 2%@50. Miscellaneous 56 hrs furlough & new tier 2% @ 60. Both received additional \$30 per month towards medical coverage. Fire is covered by the county.
Paradise	26,287	Created new tiers: 3% @ 55 tier for Safety employees and a 2% @ 60 tier for Miscellaneous employees.
Chula Vista	233,108	Police agree to pick-up the full 9-percent employee share. They also agreed to a retirement plan and health care package that is less generous for new hires.

NOTE: This chart is a general summary. Additional trade offs were made with nearly all groups. Please contact Debbie Mills, HR Director for additional detailed information on all agencies of particular interest.

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Rancho Santa Margarita	49,704	<u>Adopted a two-tiered system.</u> Current workers on a '2.5% @ 55' plan. All new hires will be on a '2% @ 60' plan with a salary averaged over the last three years of work and also pick up the full employee portion. (Note: City utilizes OC Fire Authority and OC Sheriff's Dept)
Glendale	207,303	<u>Fire</u> already pays full pickup of 9% plus increased to 2% of employer's share (know as "cost sharing") from 1.5%. <u>Fire</u> has deferred all scheduled raises since 2009 (4.5%) to FY14. <u>Fire</u> has new tier 3%@55. <u>Police</u> pays full pickup of 9% & 1.5% cost sharing. Received scheduled 5% raise. Police MOU expires June 2011. <u>Miscellaneous</u> has full pickup of 8% & 0.5% cost sharing. They refused to increase cost sharing to 2% so City imposed a 1.5% salary reduction.
<u>Pension Ballot Measures</u>		
Bakersfield	333,719	Measure D passed in November. The measure rolls the retirement benefit for newly hired public safety employees back to a pre-2001 of 2% @ 50 level using the final three years of their salary. New safety employees will also pay their full employee contribution to retirement, or 9 percent of salary. Current staff is not affected.
Carlsbad	104,652	Voters passed Prop G, which: Establishes a Charter amendment requiring voter approval of any future increases in the second tier retirement formula for all sworn police employees represented by the association. <u>Fire</u> : Council imposed new tier of 2% @ 50 (current is 3%@50) for new hires; full 9% pickup (up from 1%) for all firefighters. No EPMC. <u>Police</u> same new tier and full pickup by 2011. <u>Miscellaneous</u> MOU expired in 2010. Currently in negotiations. Present formula is 3%@60 with 1% pickup.
Menlo Park	31,865	Voters approved Measure L, which: Raises the retirement age for new hires from 55 to 60, but does not apply to city's police officers. Changes pension formula from 2.7% @ 55 to 2% @ 60.
Redding	90,898	Voters passed Measure A, which: Requires employees to pick up a portion of PERS. The city used to pick up the full 9% for public safety and 7% for other workers.-Voters passed Measure B, which: Requires workers hired after a certain date to pay the full cost of city health insurance on retirement.
San Francisco City/County	1,192,548	Voters approved Prop D in June 2010: New employees to contribute 9% to their pension. Require the city to set aside some funds every year to pay for the future known costs of the city's pension plan. Base pension payouts on what an employee earned in the last two years, rather than in the last year.-Voters rejected Prop B, which would have required: Police, firefighters and other city employees to contribute 9-10% of their pension contribution. Miscellaneous employees agree to 4.62% or 4% wage concession by furloughs or for a two year period (2010-2012).Start paying some of "employee only" health insurance in exchange for layoff protection in 2010-2011.

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Current Discussions		
City of Los Angeles	4,065,585	Charter Amendment G on the March 8 ballot affect Police & Fire new hires: A minimum 40% pension at age 50 with 20 years service and maximum 90% pension with 33 years service; Required employee contributions of 9% of salary plus an additional 2% of salary to help offset the City's contribution toward retiree health benefits; and a pension based on the highest two year salary average.
Riverside	300,430	<u>Fire</u> offered a new tier of 3%@55. New hires would pay the full 9% employee share Current Fire would stay at '3% @ 50' and give up a monthly \$100 payment the city now makes to a retirement health care fund. The city would continue to pay both the employer and the employee pension share. <u>Police</u> MOU expired in 2009. No active discussions at present. <u>Miscellaneous</u> - MOU expired 2010. In discussions.
Ventura	106,744	<u>Miscellaneous</u> employees and all sworn <u>police</u> officers will pay into their retirements — starting at 2 percent with full pickup by July 2012 — in exchange for additional compensation for healthcare and three additional paid days off. <u>Fire</u> negotiations are scheduled to start 3/7/11.
City of Fresno	495,913	Non-PERS, non-37 Act retirement system. Begin FY12: <u>Police</u> and <u>Fire</u> pick up 7%, 4% scheduled raises deferred to July 2014. Safety formula is 2%@50 (however the way base is computed it is closer to a 3@50 formula). Both Safety & Miscellaneous have DROP program. <u>Miscellaneous</u> Blue Collar unit defer 3% raise to FY12 in exchange for a one time additional 24 hours of personal leave. White Collar unit defers 2% raise to FY11.
Huntington Beach	202,480	<u>Police</u> & <u>Fire</u> pick up 4.25% from 0%. Formula remains 3%@50. <u>Miscellaneous</u> pick up 4.25%. Formula remains at 2.5%@55.
Anaheim	348,467	City Council wants 10% reductions but all MOUs are currently long term. Just now beginning cost saving discussions.
Santa Ana	355,662	<u>Police</u> Received scheduled salary increase of 6.5% that was offset by equal amount of furlough days in 2009-2010. MOU expires June 2011. <u>Fire</u> has a four year extension until 2014 with 2010 & 2011 raises deferred to 2012 (2.5%) & 2013 (4%). <u>Miscellaneous</u> already started paying full pickup in 2009 in exchange for enhanced formula of 2.7%@55 (from 2.5%@55). Their MOU expires 2013.
Oakland	425,068	<u>Police</u> reject a plan for full 9% pickup by 2013. Current MOU only obligates them to pick up 2% in 2013. Deferred 4% wage increase to 2015. <u>Fire</u> already picks up 9% plus 4% cost sharing since 3%@50 was implemented in 2004. <u>Miscellaneous</u> already picks up full 8% with 2%@55 formula. City council is looking into a second tier.

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