

## Long Beach council approves groundbreaking pension reform

By Eric Bradley, Staff Writer

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LONG BEACH — The Long Beach City Council on Tuesday voted unanimously to approve a labor agreement significantly reforming police pensions.

Most immediately, it is anticipated to save at least \$16.6 million through fiscal year 2016 and may lead to hiring new officers in the coming years.

The deal also extends the police contract two years, to 2016.

"This is true pension reform, and this is good for the city," said Councilman Patrick O'Donnell, whose sentiments were echoed by other council members.

The vote was 7-0, with council members Gerrie Schipske and Dee Andrews absent.

The longer-term savings in the revised contract with the police union come with a cost in the new fiscal year beginning Oct. 1.

To effectuate the contract changes, the city will spend \$1.575 million to advance union members an 8 percent raise in 2012 instead of planned raises of 3 percent in 2013 and 6

percent in 2014. Additionally, \$1 million will be used next year to prevent police officer layoffs if attrition doesn't meet the goal.

Both expenses are expected to come from the city's surplus oil revenue.

A large portion of savings in the accord will come from increased union member contributions to pensions, with officers upping their pay-in from 2 percent of salary to the full 9 percent employee contribution.

New hires will also receive 2 percent of their salary for each year of service and can retire at age 50. Current officers will

continue to get 3 percent of their salary as pension for each year while also being eligible for retirement at 50.

The concessions made are expected to save at least \$69 million through 2022, according to city officials.

Financial planners also said the savings could exceed \$100 million, depending on the level of salary increases and new hiring.

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Long Beach Police Officers Association President Steve James has said he is hopeful that the concessions will allow the city to jump-start its dormant police academy after next year - when attrition drops officer rolls below the budgeted 835 positions from about 865 today.

The council has declined to support a police academy for the last four years.

Earlier this month, the council voted to approve \$20.3 million in budget cuts for next year. Officials say Long Beach is saddled with budget deficits through 2014.

However, Mayor Bob Foster has said if other public employee unions assent to pension reform similar to the police union's contract, the city could have a \$2 million surplus in 2014.

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