



Newport OKs agreement on police pensions, salaries

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2012-06-27 07:33:34



NEWPORT BEACH — The city and the Newport Beach Police Association have reached an agreement that will increase police officer's contribution to their pensions, saving the city money in the future while costing the city \$205,000 for the next two years.

The City Council on Tuesday night approved the agreement with the 184-member Newport Beach Police Association, which represents more than 100 sworn police officers and 81 non-sworn employees in the city's police department, according to a staff report. Police sergeants and those who rank higher, including the chief of police and deputy chief of police, are not a part of the union.

Police officers present at the meeting said they could not comment on the new agreement. Members of the board of the NBPA did not return emails or phone calls regarding the matter.

The agreement will result in a deduction in sworn members' base pay in an effort to help the city pay for their pensions, the staff report said. The increase in contributions from the employee will be phased in and not all at once, officials said.

Sworn members of the union are now enrolled in the 3 percent at 50 pension program. This means sworn employees can retire at the age of 50 and earn up to 90 percent of their salary each year during their retirement.

In addition, sworn members agreed to pay more if the city's pension costs go up and there would be no cost of living increase to offset those rising costs, according to City Manager Dave Kiff.

"It is a long-term fix," said Councilman Michael Henn. "It's unlikely that we're going to see very many other jurisdictions calling for contributions in excess of the employee share which we will be doing. I consider that a significant breakthrough in this contract."

The process was not an easy one, city officials said. The current contract expired at the end of December, and since then the city and the union have been in talks for a new contract.

"Negotiations are always hard especially when you are asking for concessions," Kiff said.

Although the city will reduce its pension costs for the future, officials did agree to a cost of living adjustment, which will increase salaries for police officers and civilian police employees.

Among some of the other agreements is a second tier that will be implemented for new hires who will pay the full increase in pension contributions as opposed to current employees who will have their contributions phased in.

New hires in the department known as "safety personnel" will be enrolled in a 3 percent at 55 program, which would increase the retirement age of new police officers by five years. New police officers would still be able to retire with 90 percent of their salaries but five years later than current police officers.

Although it is difficult to calculate just how much the city will save in the long run, Henn said if all the police officers today were part of the second tier, the city would save close to \$3 million per year.

The union also negotiated for an increased city contribution for their members' healthcare costs.

Sworn police department employees will now go from paying roughly 6.6 percent of their total pension costs to more than 25 percent. The City Council's goal is to get to a 50 percent employee contribution, Kiff said.

Like the firefighters who recently reached an agreement with the city saving Newport \$325,000, sworn police officers paid nothing toward their pensions prior to 2007, officials said. Police officers will now be paying about four times what they were paying for their pensions compared to what they are paying currently.

The new agreement will go into effect on Jan. 1 and will expire on June 30, 2014.

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