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Fire Dept. gets new contract

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MONTEREY PARK - The City Council last month approved a three-year agreement that increases the pay and improves the retirement package options and benefits for the Monterey Park firefighters.

Wages increased from July 1, 2006, to Jan. 13, 2007, by 2.75 percent, and will increase 5 percent each year through 2009. The retirement packages will shift from 2 percent at 50 years old to 3 percent at 55 years old.

That means when a firefighter retires at age 55, they will receive 3percent of their salary for every year they have worked.

If a firefighter worked 30 years by age 55, they could retire with 90percent of their salary. If that salary were \$69,024, the retirement would be worth \$62,212. It is capped at 90percent. The previous agreement between the city and the International Association of Fire Fighters expired in 2006. This recently negotiated agreement, which was passed March 21, will expire in 2009.

Mayor David Lau said the agreement allows the nearly 50-member Monterey Park Fire Department to remain competitive with area agencies, and still be affordable for the city.

"It is a win-win situation for the city and for the Monterey Park firefighters," Lau said.

But experts say that such a pension plan won't be cheap for the city.

"Depending on how many employees are close to retirement, the numbers can actually be quite substantial," said Steven Frates, senior fellow at **Rose Institute** of State and Local Government at Claremont McKenna College.

City Manager Chris Jeffers expects the city to pay an additional \$175,000 annually until 2009 as a result of the changes.

"The council recognizes that we still have to remain competitive with other agencies," said Jeffers, even if the cost is higher. "You have to make sacrifices."

Frates said he saw a shift in the 1990s in the retirement benefits for public safety employees.

"You can see that in 30 years, the benefits have crept up," he said. In the 1970s, it was not unusual for some cities to offer 1.5 percent at 62.

Now, the trend typically lies at 3percent at 50.

Jeffers said the salary increase will make the Monterey Park Fire Department among the top three highest paying fire agencies in the San Gabriel Valley. But some still have questions regarding the retirement benefits.

"I think it is better, but some people think it is a step backwards," said Councilman Mitchell Ing.

Specifically, the negotiations include having new-hire employees contribute 3 percent of their salary toward their retirement plan.

"The new agreement probably works out better for the older firefighters than the new hires," Ing said.

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