

City Employees Want New Retirement Benefit

By Cathy Tyson

There was a bit of a surprise at last week's City Council meeting, 16 of the City's 22 employees showed up to encourage the Council to adopt CalPERS (California Public Employee's Retirement System) as a benefit for city employees in Local 1.

Karen Anthony, the Business Agent for the union, said that back in 2006, they expressed their interest in participating in this retirement plan. City employees voted to tax themselves 6.3% of salary so it would be a revenue neutral proposition to the City, with no expectation of additional funds coming from Orinda to cover the cost of the program. "We are sorely disappointed with the Council. It is our hope that the Council will reconsider their position."

Tod Fiermer of the Public Works Department, and Union President, said that an overwhelming majority of Orinda employees voted for CalPERS, instead of their current 401A plan. He was on the negotiation team in 2006 when management responded that they'd look into it. When their current contract was signed two years ago the city made it clear that CalPERS was under consideration. This contract will expire in 2009.

He went on to explain that there are 478 municipalities in the state of California and 446 of them, or 93%, participate in the CalPERS system.

Mayor Victoria Smith was conciliatory, "Because this is not on our agenda, we can't discuss it at this time. On behalf of the City Council we recognize that our people pitch in and we appreciate your work and thank you for your dedication."

"The Council misled employees that the plan would be enacted if it was cost neutral. We have been told that PERS is just around the corner," said Cathy Terentieff, an Associate Engineer.

"I have just been offered another job with the City of Manteca – better pay, better benefits, better retirement," said Alan Parkman, Associate Planner who plans to take the position.

Mary Alice Keeler, an Engineer with Public Works, explained how difficult it has been to fill openings because of the lack of the PERS plan. "It took ten months and two temps to fill a staff level vacancy in the Accounting Department. To fill a different vacancy in Administration it took two months of internal coverage, one hire who lasted six months and

one two-month temp before filling the position. How important is employee retention to Council?" She continued, "Please reconsider the CalPERS offer that is on the table."

"We enjoy working for the City of Orinda, many of us don't make a lot of money, we all have families to support, we need this to secure our future," noted Scott Tracy, Community Services Officer.

City Manager Janet Keeter has been in the middle of the negotiations. "The City paid for an independent third party actuarial to review with the Council the pros and cons of defined benefit and defined contribution retirement plans," she explained. "The Council met on numerous occasions to discuss the CalPERS defined benefit retirement plan and the results of the actuarial study. Because of the volatility of the market, cost containment concerns, and uncertainty regarding future costs, the Council determined that they are uncomfortable moving to the CalPERS retirement program."