



City of Monterey Park

320 West Newmark Avenue
Monterey Park, CA 91754
www.ci.monterey-park.ca

Fire Citizen Committee Agenda

FEBRUARY 25, 2013 – 6:00 P.M.

Community Room, Monterey Park City Hall – 320 West Newmark Avenue; Monterey Park

1. Call to Order

2. Flag Salute

3. Roll Call

4. Announcement

Resignation of Chairperson Chan.

5. Oral Communications

Any member of the public may address the Fire Citizen Committee on any item on the agenda. Speakers are afforded three minutes per speaker. However, the Committee may reduce/increase the amount of time allotted to each speaker and/or limit the total amount of time allowed for speakers to address the Committee.

6. Approval of Committee Minutes

The Committee shall review and approve the minutes from their meeting of October 29, 2012.

OLD BUSINESS:

7. Provision of Pension Data

Prior to his resignation, Chairperson Chan had requested pension cost information from the City Manager. The City should have received an updated actuarial report from Cal PERS to present to the Committee.

8. Emergency Operations Salary Survey

Chairperson Chan had also requested a survey comparing firefighter salaries. Staff is presenting this information.

9. Proposed Ballot Initiative filed by David Diaz

Staff will update the Committee on the issue of the ballot initiative filed by David Diaz.

NEW BUSINESS:

10. COMMITTEE FINDINGS

The City has completed providing the Committee with all necessary proposals, analysis and requested information. The Committee must now determine its findings and develop a report with its recommendation to the City Council as required by Monterey Park Municipal Code 2.40.065.

11. Committee Report/Conclusion

The Committee is to determine who, how, and when to provide their report to the City Council on their findings and conclusions.

12. Future Meeting Schedule

If warranted, the Committee shall discuss and determine future meeting dates.

13. Adjourn

Staff reports, writings, or other materials related to an item on this Agenda that are distributed to the Fire Citizen Committee are available for review at the City Clerk's Office located at 320 West Newmark Avenue, Monterey Park, CA 91754, during normal business hours. These materials are also posted on the City's Website, Fire Department pages, <http://www.ci.monterey-park.ca.us/index.aspx?page=26>.

FIRE CITIZEN COMMITTEE MEETING
OCTOBER 29, 2012 MINUTES

UNOFFICIAL UNTIL
APPROVED

The Fire Citizen Committee of the City of Monterey Park held a meeting in the Community Room of City Hall, 320 West Newmark Avenue; Monterey Park, CA 91754

1. CALL TO ORDER

Chairperson Chan called the meeting to order at 6:00 p.m.

2. FLAG SALUTE

Chairperson Chan led the flag salute.

3. ROLL CALL

Committee Clerk Bow called roll.

Committee Members Present: Chan, Chandler, Isozaki, Morin, Rubin

Also Present: City Manager Talbot, City Clerk Barron, Fire Chief Birrell, Battalion Chief Harper, Battalion Chief Khail, Battalion Chief Leasure, and Lillian Bow

4. AGENDA ITEM CHANGE

At this time, Chairperson Chan asked if Agenda Item #8 could be moved for discussion after the Approval of the Minutes and then asked for a motion. Committee Member Rubin made a motion as stated, seconded by Committee Member Chandler. Followed by the vote:

Aye: Chan, Chandler, Isozaki, Morin, Rubin

Nay: None

Motion carried.

5. ORAL COMMUNICATIONS

- a. Betty Chu – asked a question on paramedic service and what happens when a third call comes in.
- b. Yukio Kawaratani – stated the need to obtain a detailed financial analysis, additional contract negotiations with the County, and other comments on the potential transfer of fire services.
- c. Nancy Arcuri – spoke about the firefighters' ballot initiative.
- d. Jimmy Gin - asked a service delivery question resulting from staff reductions to 12, comparing the County and City.
- e. Delario Robinson – spoke about keeping the Monterey Park Fire Department.
- f. Terry De Wolfe – spoke on the Municipal Code 2.40.065 requirements, the City's actions to proceed with this process, and the current ballot initiative.

- g. Lucia Su – spoke on the petition being circulated for signatures to get a ballot initiative.
- h. Tilda De Wolfe – spoke on the petition for the ballot initiative.
- i. Marcia Spira – spoke on the ballot initiative petition and the money expended from the City on the fire transfer issue, conversion cost study and the independent analysis.

Chief Birrell responded to Betty Chu's question regarding paramedic ambulance service and what happens if three calls come in simultaneously. Following questions by Committee Members, Chief Birrell also provided information about the difference between ALS and BLS,, how the County EMS programs runs, what hospitals Monterey Park transports patients, and mutual aid to Monterey Park, and how the County covers multiple incidents occurring at the same time.

As a result of comments regarding the funding for the conversion study and the independent analysis, City Manager Talbot provided the entire history of actions and what was agreed by the firefighters' union commencing from the Council Meeting of April 7, 2010. This included the City's receipt of the updated County proposal and the decision to update the independent analysis by ESCI to include the new information. The Firefighters' union ultimately submitted a check to pay for the additional work by ESCI of \$5,800.

6. APPROVAL OF COMMITTEE MINUTES

Chairperson Chan presented the minutes of September 11th for approval by the Committee. Committee Member Rubin made the first motion to approve the minutes. Committee Member Isozaki seconded. Chairperson Chan asked if there was any discussion, otherwise all in favor of minutes, take a vote.

Aye: Chan, Chandler, Isozaki, Morin, Rubin
Nay: None

Motion carried and the minutes as presented approved.

8.7. Proposed Ballot Initiative

This item was placed on the agenda as item no. 8, but was moved by the Committee to be heard after the approval of the September 11th minutes.

City Manager Talbot provided a summary of actions relating to the petition, stating a resident, David Diaz, submitted a Notice of Intent to Circulate a Petition on October 1, 2010. He said basically, it is to remove the Measure J requirements for fire transfer from the Municipal Code. The Measure J requirements for police services would remain. The other part of it would direct the City to contract with the County.

City Clerk David Barron brought an updated memo stating the history of actions on the Notice of Intent and election requirements on the petition process and once submittal of signatures done.

Committee Member Rubin asked whether this petition would result in a special or regular election and commented on the financial impact.

Chairperson Chan then called for speakers on this agenda item. Speakers were:

- a. Betty Chu – expressed her support for the petition.
- b. Nancy Arcuri – expressed her opinion about removing Measure J from the Municipal Code.
- c. Marcia Spira – asked if you could have one petition with two measures on it or if two petitions were required.
- d. Lucia Su – spoke on being an independent city and asked the difference between fire service transfer and fire department transfer.

At this time, City Manager Talbot clarified who was circulating or supporting the petition efforts, stating it was not the Fire Department. He said it is the firefighters' union supporting it and repeated who submitted the petition. City Manager Talbot also explained what would happen if the transfer to the County Fire occurs.

As a result of questions regarding the paramedic service, Chief Birrell once again explained the La Habra model of paramedic and ambulance service. He also stated if the City transferred fire services, the ambulance transport service would have to be determined by the City Council.

City Manager Talbot said this same report given to the Committee is also being given to the City Council on November 7th.

Committee Member Rubin commented on the petition issue and made a motion to suspend any further efforts of the Fire Citizen Committee pending the outcome of the petition. He expressed that the work of the Committee was pointless.

Chairperson Chan asked for a second? Chair Chan seconded.

City Manager Talbot restated the City Council's actions, the purpose of the Fire Citizen Committee, and the City Council's expectations.

Committee Member Morin asked for clarification on the timeline and the motion that was made.

There was additional discussion by Committee Member Rubin on the cost of a special election followed by Committee Member Morin restating the motion and adding that she could not continue on this Committee through March, that she had enough information. She agreed with the comments made by Committee Member Rubin, but that meant they would have to reconvene in March.

Committee Member Isozaki also stated that he fully understood what Committee Member Rubin had said; however, he felt the Committee has already done too much. After further comments, he stated that he would be voting no on the motion.

Committee Member Chandler agreed.

Chairperson Chan said he felt very disappointed and then proceeded to express his viewpoints.

Committee Member Rubin clarified his comments, stating they have every right to get that petition, but that it resulted in the Committee "spinning their wheels" because what matters now is the outcome of the petition.

Committee Member Isozaki stated that initially he felt the same way; but he understood why the petition occurred.

There being no more speakers and discussion by the Committee Members completed, Chairperson Chan called for the vote on the motion, suspending the actions of the Committee until the outcome of the petition is concluded:

Aye: Chan, Rubin
Nay: Chandler, Isozaki, Morin

Motion died.

Chairperson Chan said let's go to Old Business:

OLD BUSINESS:

7. Provision of Pension Data

In response to a question brought up at the last meeting on the pension tax and how much the City pays PERS, City Manager Talbot provided information received from Finance. A PowerPoint slide showed current city-wide costs and the estimated costs if fire transferred to the County.

Current costs are \$5.5 million, with the pension tax bringing in \$5 million; therefore, a General Fund supplement of about \$428,000 is needed. Prior to this year, the gap was about \$1.5 until Police and Fire agreed to pay the employee contribution of PERS.

The estimated costs after transfer, would impact the Police Department by an increase up to \$1.8. As a result of the number of safety employees being reduced, police would be put into another insurance pool such as the State pool. This would impact the Police by an increase of approximately 4.5%. However, the transfer of Fire would result in a pension cost of \$4.4. Revenues remain the same. Leaving a balance of \$682,000, which would be put into a trust account for future pension increases and the City won't have to get into the General Fund. City Manager Talbot said that he thought these numbers were all calculated into the ESCI report.

NEW BUSINESS:

8. FY2012-2013 Fire Department Staff Cost

City Manager Talbot said there was a question regarding staff levels, what would the cost savings be if the City reduced staff to 12 - similar to the County proposal.

City Manger Talbot presented a slide with staff costs for Battalion Chief, Captain, Engineer, and two firefighter/paramedics. It's about \$850,000 annual savings. City Manager Talbot then turned it over to Chief Birrell who explained what the impacts would be for a stand-alone City that reduces staff.

Chairperson Chan asked about the ambulances, the County was also going to reduce two ambulances. Chief Birrell said that Monterey Park could not operate without two ambulances; however, as previously mentioned, it would be up to the Council what kind of service delivery the City would be using.

Chairperson Chan commented on the brown out and asked questions as to what was browned out, for how long, and its impacts. Chief Birrell responded to all of his questions, indicating it was an engine, for approximately 6 weeks, and it did result in a cost savings.

Chairperson Chan then asked City Manager Talbot additional questions about the pension costs and the pension bond. City Manager Talbot explained when the bond occurred, which was in 2003 for \$17 million.

The City sold the bond and gave it to PERS to help close the gap. He then explained the pension revenue tax that's on the property tax bills, past years' surplus, and where it went, and the cost increases the City has been facing the past several years.

Chairperson Chan asked additional questions on the retirement revenues and questions relating to police and fire pension costs, employee's portion of the costs, which City Manager Talbot said that safety currently costs roughly 36-37% of their pay and that includes the employee's portion of 9%.

Chairperson Chan asked if there were any questions from the Committee?

9. Committee Report/Conclusion

After much discussion amongst the Committee Members about how to conclude, Chairperson Chan's suggestion as to providing an in-depth analysis, clarification as to the Committee's objectives, and Committee Member thoughts, the Committee did not make a determination as to its report.

10. Future Meeting Schedule

The Committee determined the next meeting to be December 17, 2012 at 6:00 p.m.

11. Adjourn

Chairperson Chan adjourned the meeting at 7:57 p.m.



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January 25, 2013

Mr. Paul Talbot
 City Manager
 City of Monterey Park

Subject: Fire Services Transfer

Dear Mr. Talbot:

This letter is in response to your letter of November 6, 2012. In that letter, you requested that we provide you with a cost analysis for Pension Impacts on Fire services transfer. This letter summarizes the results and discloses the relevant information.

(1) Key Results:

	Safety Plan	6/30/2011 (Actual)	6/30/2013 (Projected)
(1)	Plan Accrued Liability (AL)	\$149,019,685	\$164,454,519
(2)	Plan's Market Value of Assets	\$115,130,471	\$122,535,168
(3)	Funded Ratio	77.3%	74.5%
	Active Fire Officer		
(4)	Accrued Liability	\$29,030,522	\$34,781,530
(5)	Assets to Be Transferred (= (3) * (4))	N/A	\$25,915,741

	Employer Contribution		
	2013-2014	2014 – 2015 (Projected)	2015 – 2016 (Projected)
Safety Plan	25.887%	28.1%	30.3%

(2) Assumptions and Methodology

- This cost study was based on the June 30, 2011 membership and asset data, the latest such information available to the Actuarial Office.
- This cost study assumes June 30, 2013 to be the transfer date. Therefore, the 2011 valuation results were projected to June 30, 2013.

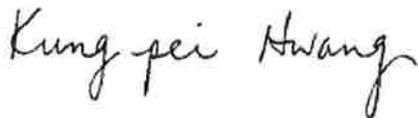
- We did the projection by using current actuarial assumptions, except for an assumed 0% investment return for the 2011-12 fiscal year and 7.15% investment return for the period from July 1, 2012 to December 31, 2012.
- This cost study assumes everyone who worked at the Fire Department as of June 30, 2011 will work exactly two more years and then be transferred to the County of Los Angeles. When the final transfer is made, members who were hired between June 30, 2011 and the transfer date will be added, and members who left employment and whose records are on hold due to Community Property Split, CalPERS home loan, etc. will not be transferred.

(3) Disclosure

- The current practice at the CalPERS Actuarial Office is to reflect the demographic change in the first annual valuation whose valuation date follows the date of an event such as LACERA transfer. Since there is a two year lag between the valuation date and the contribution fiscal year, your Safety rate will not reflect the Fire transfer until the 2015-16 fiscal year, if the transfer date is June 30, 2013. Those rates will be based on the Police payroll.
- The actual amount to be transferred depends on the assets and funded status at the time of transfer. Thus, if a transfer date is different from June 30, 2013, these figures will change accordingly.
- These figures are estimates only of what are or will be shown in later valuations and assume no future change in actuarial assumptions or methodology, no future funding changes other than those required by current CalPERS Board policy, no changes in this plan's work force demographics other than becoming inactive, and, other than the investment return assumptions listed above, full realization of all actuarial assumptions (such as retirement and mortality rates).
- With the recent enactment of the California Public Employees' Pension Reform Act (AB340), our Office will review current actuarial policies and procedures. Any change will affect these figures.

If you have questions about this cost analysis, please do not hesitate to call me at (916) 795-3411.

Sincerely,



KUNG-PEI HWANG, ASA, MAAA
Senior Pension Actuary, CalPERS

FIRE DEPARTMENT SALARY SURVEY

Monthly Salary

11-27-2012

AGENCY	POSITION		MINIMUM		MAXIMUM
Alhambra	Fire Chief	\$	10,663.00	\$	15,833.00
	Assistant Chief	\$	8,087.00	\$	10,077.00
	Battalion Chief	\$	7,702.00	\$	9,598.00
	Fire Captain	\$	6,622.00	\$	8,449.00
	Fire Engineer	\$	5,756.00	\$	7,329.00
	Firefighter/Paramedic	\$	5,657.00	\$	7,226.00
	Firefighter	\$	4,853.00	\$	6,194.00
Montebello	Fire Chief	\$	10,563.00	\$	14,084.00
	Fire Marshal	\$	6,092.00	\$	7,651.00
	Battalion Chief	\$	9,322.00	\$	10,417.00
	Fire Captain	\$	5,915.00	\$	7,428.00
	Fire Engineer	\$	4,962.00	\$	6,335.00
	Firefighter	\$	4,224.00	\$	5,396.00
	Firefighter Paramedic - add 10%	\$	4,646.00	\$	5,935.00
Monterey Park	Fire Chief	\$	11,083.00	\$	14,833.00
	Battalion Chief	\$	9,433.00	\$	12,068.00
	Fire Captain	\$	7,040.00	\$	8,557.00
	Fire Engineer	\$	6,043.00	\$	7,345.00
	Firefighter	\$	5,222.00	\$	6,347.00
	Firefighter/Paramedic - depends on years of service; add 5%, 10%, 15%; Minimum & Maximum based on 15%	\$	6,005.00	\$	7,299.00
San Gabriel	Fire Chief	\$	10,717.00	\$	13,022.00
	Fire Division Chief	\$	8,563.00	\$	10,407.00
	Fire Captain	\$	6,660.00	\$	8,098.00
	Fire Captain/Deputy Fire Marshal	\$	6,660.00	\$	8,098.00
	Fire Engineer	\$	5,635.00	\$	6,847.00
	Firefighter	\$	4,885.00	\$	5,936.00
Los Angeles County	County Forester & Fire Warden	Not Provided		\$	22,500.00
	Assistant Fire Chief	Not Provided		\$	13,920.00
	Battalion Chief	\$	9,999.00	\$	11,766.00
	Call Firefighter, NC	Not Provided		\$	16.93
	Call Firefighter, Supervisor	Not Provided		\$	17.53
	Deputy Fire Chief, Emer OPNS	Not Provided		\$	16,087.00
	Fire Captain (56)	\$	7,457.00	\$	8,774.00
	Firefighter (56)	\$	4,260.00	\$	6,229.00
	Firefighter Trainee	Not Provided		\$	4,260.00
	Fire Suppression Aid	\$	2,303.00	\$	3,013.00