

Proposed CIS on City Pensions as recommended by the Budget Advocates

As recommended by the LA 2020 Commission and the Neighborhood Council Budget Advocates, the _____ Neighborhood Council urges the Mayor, the City Council, and the Council's Personnel Committee to establish an independent Pension Commission to review and analyze the City's two underfunded pension plans (including Other Post-Retirement Employee Benefits), develop projections for future Actuarially Determined Employer Contributions and the unfunded liability assuming a range of investment rate assumptions, make recommendations to eliminate the unfunded liability over the next 20 to 30 years, and report back to the public within 90 days on its findings.

Background

The City's two pension plans, the Los Angeles City Employees' Retirement System and the Los Angeles Fire and Police Pension Plans, are not sustainable. Since 2005, the City's annual contribution has quadrupled, from \$350 million to \$1.4 billion next year. Its share of the General Fund budget has more than doubled to over 20%. During the same time frame, the unfunded pension liability has tripled, from \$4 billion to over \$12 billion and is by far the City's largest liability. Despite repeated requests, the Mayor and the City Council have refused to address the ever increasing cost of the City's two pension plans that are crowding out basic services such as street repair, affordable housing, services for the homeless, and public safety.

Filing note

This CIS is in reference to CF 20-0600 which is the Council File number for the 2020-21 City budget.

Please include the Board of Fire and Police Pension Commissioners as well as the City Council and Committees when filing this CIS. Additionally, please e-mail Mayor Garcetti (Mayor.Garcetti@lacity.org), the Commissioners of both the Los Angeles Employees' Retirement System (LacersBoard@lacers.org) and the Fire and Police Pension Plans (Pensions@lafpp.com) with a copy to the Budget Advocates at (info@budgetadvocates.org).