



## CITY OF PACIFIC GROVE

### AGENDA REPORT

300 Forest Avenue, Pacific Grove, California 93950

**TO:** Members of the City Council  
**FROM:** Mayor Bill Kampe  
**MEETING DATE:** April 19, 2017  
**SUBJECT:** Join Amicus Brief for Pension Reform via Marin County Case  
**CEQA:** Does not constitute a "Project" under California Environmental Quality Act (CEQA) Guidelines

#### RECOMMENDATION

Authorize The City of Pacific Grove to join an Amicus brief in the Marin County Pension Benefit Case before the California Supreme Court, supporting the principle of reasonable pensions, and overturning the "California Rule".

#### DISCUSSION

I received a message from Chuck Reed asking for the support from the City of Pacific Grove in a pension reform case before the California Supreme Court. He is seeking a number of Cities to join an amicus brief and to share the cost of writing and filing the brief. Chuck Reed is the former Mayor of San Jose, and a leader for California pension reform. He is currently chair of Retirement Security.

The core topic at issue is:

The Court of Appeal wrote, "While a public employee does have a 'vested right' to a pension, that right is only to a 'reasonable' pension — not an immutable entitlement to the most optimal formula of calculating the pension. And the Legislature may, prior to the employee's retirement, alter the formula, thereby reducing the anticipated pension. So long as the Legislature's modifications do not deprive the employee of a 'reasonable' pension, there is no constitutional violation."

If the Supreme Court upholds this ruling, Cities will have greater flexibility to adapt to economic fluctuations. Currently, our only recourse has been to cut health benefits, cut staff, and to freeze or even cut salaries. Adding pension flexibility can produce negotiations beneficial to cities, but also to affected employees.

## **FISCAL IMPACT**

Estimated \$5000 shared cost to be potentially shared with other jurisdictions; whether the cost is shared, or borne solely by the City, this amount could be absorbed within the City Council's adopted FY 16-17 budget.

Respectfully submitted:

A handwritten signature in blue ink that reads "Bill Kampe". The signature is written in a cursive style with a long, sweeping tail on the letter "e".

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Bill Kampe, Mayor