

Career Issues from American Police Beat

Retirement Benefits Under Attack

City's hare-brained scheme claims that deputies' contract is unconstitutional

If you want to know the scope of the crisis facing local governments from a financial perspective, look no further than Orange County, California. As a means of dealing with a bad fiscal crisis, the county has decided to go after police pensions in what is being described as a high-stakes test case that could be replicated in local governments across the nation.

County officials unanimously agreed to consider rescinding portions of the deputies' pension packages, which were approved in 2001, despite intense objections from the sheriff, the district attorney and the deputies' union.

The county is pursuing a hare-brained legal strategy contending that part of the deputies' contract is unconstitutional.

Public safety officials say the contract is legal and binding and that it would be unfair, if not illegal to take it away now, especially from retired deputies who spent their careers protecting the public with the expectation that the contract they signed would provide for them during their retirement.

"It's the first significant thing of this sort to be done," Steve Frates, a senior fellow at the Rose Institute of State and Local Government at Claremont McKenna College, told Christian Berthelsen of the *Los Angeles Times*. "We don't know what the results will be."

Orange County is one of scores of public agencies facing

huge debt from generous pension packages approved during the boom times of the 1990s. County supervisors thought it would be a good idea to play the stock market with the pension fund to generate extra cash.

Politicians typically signed off on the benefits when pension funds were flush with cash. But then the internet "boom" died and the county couldn't meet its own agreements with public employees.

Ron DeLord, executive director of the Combined Law Enforcement Associations of Texas, says that this is just the beginning and that the thousands of police officers who have retired over the last five years could be next.

"This is just the tip of the iceberg. Powerful California police and deputy unions are being challenged by elected officials over pensions and retiree health insurance. These challenges are escalating," DeLord said. The CLEAT official went on to point out that greed can be a dangerous force and cause a public, media and elected official backlash.

With 91 percent of the private sector employees at will and 50 percent without a pension and many without health insurance and no retiree coverage, the public will not be supporting police unions for more benefits when they have little or none," DeLord concluded. ■

Reprinted courtesy of American Police Beat, Sept. 2007

Pat and Mike were very good friends. One day Pat came over to Mike's house to visit, but when he entered the home, Mike wasn't there.

Mike's wife was holding their baby and trying to put up curtains at the same time.

She said, "Pat, I'm glad you came, would you mind holding the baby while I finish the curtains?"

A few minutes later, Pat came in and said to Mike, "How ya doin', Mike?"

Mike replied, "I'm holding my own."

That's when the fight started...

Editorial Note: Our friend Ron DeLord correctly points out that pensions for public safety officers will be the next big target, including those of us in Florida.

MORTGAGES!

NO POINTS FOR PBA MEMBERS! SAVE THOUSANDS!

- Special Programs for Law Enforcement
- Purchases to 100%
- Refinancing – Get Rid of your ARM
- Switch to a Low 30 or 40 Year Fixed Rate Now!
- 20 Years Experience Doing Loans
- Reverse Mortgage Specialists

62 or Older to Qualify

Payoff Existing Mortgage and Get Cash Out

NO Monthly Payments Required Ever

NO Income or Credit Qualifications



"Lowest Rates Under the Sun"

CALL NOW

1-800-432-9615

LICENSED CORRESPONDENT LENDER

APPLY ON LINE: WWW.Your1LowRate.COM

ADVANCED MORTGAGE