



AGENDA REPORT

Finance Department

DATE:	November 19, 2024
TO:	Mayor Martinez and Members of the City Council
FROM:	Andrea Miller, Director of Finance Mubeen Qader, Deputy Director of Finance Jerry Gurule, Accounting Manager
Subject:	Approving an Additional Three Percent Annual Cost of Living Increase for Recipients of the General Pension Fund Participants for 2025
FINANCIAL IMPACT:	The requested five percent cost of living increase is three percent greater than the minimum required adjustment of two percent. The incremental expense during the calendar year 2025 of the additional three percent would be \$7,609.64. Funding is available within the General Pension Fund for this increase.
PREVIOUS COUNCIL ACTION:	None.
STATEMENT OF THE ISSUE:	Participating members of the General Pension Fund have requested that the City Council adopt a resolution approving a three percent annual cost of living increase, in addition to the two percent minimum cost of living increase, for the pensioners in the program. Adoption of the resolution will authorize a total annual cost of living increase of five percent for these recipients.
RECOMMENDED ACTION:	ADOPT a resolution approving a three percent annual cost of living increase, in addition to the two percent minimum cost of living increase, for the recipients of the General Pension Fund, for a total annual cost of living increase of five percent for these recipients – Finance Department (Andrea Miller 510-620-6790)

DISCUSSION:

The City of Richmond General Pension Fund (the “Fund”) was established for the pension payments of all regular, non-safety retirees of the City of Richmond, who were employed before July 1, 1953. The Fund is now “closed,” meaning all members are now retired and receiving pensions. These retirees do not receive a pension from the California Public Employees’ Retirement System (CalPERS) and do not receive post-employment medical insurance reimbursements from the City. The first pensions were calculated as 50 percent of their annual salary at the time they retired. There are currently three (3) retirees receiving pensions, with an average age of 105, and an average monthly pension of \$7,045.97.

On November 6, 1984, the voters of the City of Richmond approved Charter Amendments “K” and “L” providing a two percent minimum cost of living increase for the recipients of the General Pension Fund, commencing January 1, 1985, and authorizing the City Council to increase the recipients’ annual pensions by an additional three percent commencing January 1, 2000. Since January 1, 2000, the City Council has annually approved the recipients’ request for the additional three percent increases for a total of five percent annually.

Participating members of the General Pension Fund have requested that the City Council adopt a resolution approving a three percent annual cost of living increase, in addition to the two percent minimum cost of living increase, for pensioners in the program for 2025. Adoption of the resolution will authorize a total annual cost of living increase of five percent for these recipients as requested.

DOCUMENTS ATTACHED:

Attachment 1 - Resolution Approving 2025 Annual Cost of Living Increase