

## Head of Memphis Firefighters Association doubts report saying city pension plan is in trouble

By Samantha Bryson

Sunday, September 15, 2013

A new report suggesting that the pension plan for Memphis city employees would require massive overhaul to avoid an eventual shortfall of hundreds of millions of dollars drew fierce criticism from the head of the Memphis Firefighters Association Sunday, who said he was suspicious not only of the report's math but the political motivations behind its release.

And City Council members predicted prolonged and fiery debate on the issue.

Thomas Malone, president of the Memphis Firefighters Association, was irate that he had not yet been provided a copy of the report that had already been given by Memphis Mayor A C Wharton to City Council members Friday afternoon, and was referenced by Chief Administrative Officer George Little in a speech earlier in the week.

The report by PricewaterhouseCoopers, or PwC, analyzes and makes suggestions for dealing with the \$682 million deficit facing the pension program, but ultimately concludes that "the plan is not sustainable in the long-term."

Malone said he didn't believe that the number was nearly that high, but that it was somehow padded to include projected employee pay raises that would likely never be awarded and an intentionally adjusted mortality rate.

"If what they're saying is true, we'll come to the table and look at it," Malone said. "But we don't believe what they say."

When Malone gets the report, he said, he plans to turn it over to an agency for further analysis.

The report cites the Great Recession as the primary cause of the pension problems that could, according to PwC, send the unfunded liability from the current \$682 million to \$740 million by July 2014.

"We don't agree with those figures," Malone said.

It was obvious to some council members Sunday that the report would become the

Head of Memphis Firefighters Association doubts report saying city pension plan is in trouble : Memphis Commercial Appeal  
subject of prolonged controversy and fierce debate.

Most City Council members reached Sunday had not read the full report, but agreed the task would loom large on the council's agenda until some kind of agreement was reached about how to create a new pension system.

"This is an issue that people start off with real strong philosophical positions about," said Memphis city council member Shea Flinn. "Like so many issues, at some point, philosophy has got to drop away and you look at the hard math of it."

But neither Flinn nor fellow council member Jim Strickland were ready to venture a guess as to what the answer to the problem would be.

"We knew this was coming," Strickland said, "I'm looking forward to reviewing the reports and what the experts recommend. I'm going into this with a completely open mind."

Wharton said that he received the report from PwC Friday, and sent it to the City Council the same day. He expected to send it to other interested parties, such as union leaders, sometime Monday and said it would be posted online for anyone to read early in the week.

"The key thing is to keep in mind that we have reached no conclusions," Wharton said. "We want to hear from everybody who may have a different interpretation of the report ... we are open to anybody challenging the underlying conclusion reached by PwC that the city can't sustain its current plan in the long haul."

To print the document, click the "Original Document" link to open the original PDF. At this time it is not possible to print the document with annotations.



© 2013 Scripps New spaper Group — Online