

For Immediate Release
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Citywide Elected Officials Unite to Support Mayor Foster's Budget Proposal
Announce their employee groups applying salary increases to pension payments

Long Beach - Long Beach City Attorney Bob Shannon, City Auditor Laura Doud, and City Prosecutor Doug Haubert announced today that their employee groups have agreed to apply salary increases to their share of pension costs in support of the efforts of Mayor Foster and the City Council to manage a growing current and future budget deficit. In addition to helping to pay for pension costs, employees also agreed to a retirement formula for new employees which would reduce benefits from 2.5% @ age 55 to 2.0% @ age 60 and would calculate benefits on an average of the employee's highest three years salary instead of the highest one year salary.

The three citywide elected officials are united in praising their employees for doing the right thing. Instead of receiving contractual pay raises, the employees of these three departments will contribute those raises as pension payments to the California Public Employees' Retirement System (CalPERS).

While any final agreement is subject to City Council approval, this commitment is significant because most of the City's \$18.5 million deficit in the next fiscal year is due to increased employee payroll, health care costs, and City contributions to CalPERS.

"The nationwide financial crisis has created new challenges for Long Beach," said City Attorney Bob Shannon. "We appreciate and accept the Mayor's tough but necessary recommendations, and we look forward to working with him and with the City Council in an effort to resolve these challenges, while providing the best services possible for the citizens of Long Beach."

City Auditor Doud said, “ We believe that cooperation from the City’s public employee unions is critical to help avoid significant reductions in service and prevent further layoffs. With teamwork, Long Beach will remain on course to not only survive these difficult times over the next few years, but to thrive as a vibrant city well into the future.”

City Prosecutor Doug Haubert added, “I am proud of my prosecutors for agreeing to do their part to help balance the City’s budget. They realize the City has to make structural cuts and are agreeing to forgo raises to which they are entitled. This is an important first step toward getting the City’s budget back on track.”

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