



City of Long Beach
Working Together to Serve

Office of Gerrie Schipske
Councilwoman, Fifth District
Memorandum

R-15

Date: January 22, 2008

To: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

From: Councilwoman Gerrie Schipske *GS*

Subject: AGENDA ITEM: Fiscal Emergency Salary Increase Policy

BACKGROUND

Recently, the State of California announced that a severe deficit faces California. Governor Schwarzenegger may once again deplete funds that are needed for our City in order to balance the State's budget. Before these recent events, City Council received and filed a report on December 18 from City Management reporting that expected first-quarter revenue from major City of Long Beach funding sources came in below the predicted levels.

In light of these facts, I am asking the City Council to reconsider our actions, which provided the City Manager the ability give salary increases to management of up to 7%. Granted that this reduced from twelve percent (12%) the amounts typically given. However, seven percent (7%) is too high in a fiscal situation where the City does not have a balanced budget and faces such financial uncertainty.

Alternatively, the City Manager must have the authority to reward those employees in management whose performances have exceeded the satisfactory level. Therefore, the City Council must have a mechanism that: a) requires the City Manager to inform the Council before such increases are given and b) allows the City Council to keep such increases at no more than the CPI.

This action will continue to allow the City Manager to evaluate and reward management employees, while at the same time, recognizing that the City Council has the responsibility of meeting the economic challenges that Long Beach currently faces. salary increase.

RECOMMENDATION

Request that the City Attorney prepare an amendment to the salary ordinance reflecting the Council's authority to limit any increase in salary for management level employees beyond the "cost of living" or Consumer Price Index (CPI) except in those instances when such increases have been collectively bargained.