





City of Long Beach
Working Together to Serve

R-10
Office of Gerrie Schipske
Councilwoman, Fifth District
Memorandum

Date: January 18, 2011

To: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

From: Councilwoman Gerrie Schipske, Fifth District 
Councilmember Gary DeLong, Third District 

Subject: AGENDA ITEM: Pension Reform – Proposed June Ballot Measures

DISCUSSION

Facts:

- In 1999, the State legislature allowed public employers to increase the pensions of its employees to the current levels.
- Public employee pensions have become unsustainable.
- The City of Long Beach will have an unfunded debt to CALPERS of \$1.2 billion by 2041. This debt is causing the City to reduce services and to continue to forego infrastructure repair and maintenance.
- Current law and numerous court decisions prohibit the taking of any benefit from a public employee without the agreement of the bargaining unit representing the employees.
- Reductions in pension benefits can be negotiated by the City Council with employee groups for future employees.
- From 2004 to 2005, CALPERS told the City of Long Beach it was “super funded” and did not have to pay \$20 to 40 million in payments into the pension fund. Instead of banking the money for the future, the City Council spent it on wages and benefits.
- Unlike the Long Beach Unified School District which “sun shines” all contract proposals before and during negotiations and requires the Superintendent to certify that the School District has funds sufficient to pay for any increases given in the final contract, the City Council does not “sun shine” nor does it require the City Manager to certify that there are funds sufficient to pay for any increases given in the final contract.
- The format of the City Budget does not provide disclosure of the total compensation of employees so that the public can be fully informed. Salaries, benefits and total compensation are not included by budgeted position. The format lists position title and salary but does not include benefits and total compensation for the position.
- Governor Jerry Brown has indicated that he may call a special election in June 2011, which provides the residents of Long Beach an opportunity to make certain changes to its charter that will bring immediate pension reform.

Recommendations:

It is recommended that the City Council refer to the Charter Committee the following proposals for consideration and approval to be placed on the ballot should the Governor call for a special election:

Charter Amendments:

- “Sunshine” Requirements: The City Council shall adopt requirements similar to those found in California Government Code 3547 et al, which result in the public being informed of the issues that are being negotiated upon, the costs associated with such issues and having the full opportunity to express their views on the issues to the City Council, and to know of the positions of their elected representatives before collective bargaining is completed. Additionally, such requirements shall also require that the City Manager certify in writing that the costs incurred by the City of Long Beach under the agreement can be met by the City during the term of the agreement.
- “Fair and Full Disclosure”: The City Council shall adopt requirements that mandate fair and full disclosure in the annual budget listing all salaries and total compensation of all positions funded through such budget.