



City of Long Beach
Working Together to Serve

Office of Gerrie Schipske
Councilwoman, Fifth District
Memorandum

NB-24

Date: January 8, 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. With that news exists the possibility that Governor Schwarzenegger may once again deplete funds that are needed for our City. Further, in a report to the City Council on December 18, City Management reported that expected first-quarter revenue from major City of Long Beach funding sources came in below the predicted levels.

Therefore, 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%. By adding language that prevents salary increases beyond the "cost of living", or Consumer Price Index (CPI), whenever the City Council passes a resolution indicating the finances of the City preclude the raises the City Council will be acting a fiscally responsible manner, which reflects the severe financial strain facing the City of Long Beach.

This will continue to allow the City Manager to evaluate and reward management employees, however, when a City has the economic challenges that Long Beach currently faces, the City Council has a responsibility to the public to ensure fiscal responsibility with regards to salary increase.

RECOMENDATION

Request that the City Manager not increase management salaries beyond the "cost of living" or Consumer Price Index (CPI) whenever the City Council passes a resolution indicating the finances of the City preclude the raises.