

Elephant in the Room

Like last year, controlling employee costs is the “elephant in the room” that is crushing our city services.

We need reform. Over the next five years, the City is projecting an increase of almost \$1 billion for personnel costs (salaries, pensions, benefits, and workers compensation), which will adversely impact city services. We need reform now.

The mayor knows it, all of you, the members of the City Council, know it, and the public knows it.

In fact, 63% of the public who took the Mayor’s Budget Survey endorse pension reform.

The pension reform needs to be comprehensive. This reform should consist of not only increasing the age of retirement, but should also include higher employee contributions, increased contributions by retirees, the establishment of new tiers for future employees, retirement salary based on a five year average, the capping of benefits, the establishment of defined contribution plans for high wage employees, and the elimination of double dipping.

The Mayor’s Budget Survey also supported extensive reform in controlling ever increasing salaries and benefits.

58% of the public endorse increased employee contributions to health care costs.

And, the 65% of the public endorse freezing the salaries of City employees at the current level until the City’s financial health is restored.

These reforms are an absolute must if the City is to survive.

As Budget Advocates, we do not claim to have all the answers regarding controlling employee costs. However, we have done a lot of research. We also know that City Council does not have all the answers and neither does the Mayor. When it comes to reform one of the simplest ideas is to form a Citizen’s Commission on Pension Reform.

This Commission needs to start now – as soon as possible!

I have spoke with Mr. Garcetti in the past and I know he supports such a commission and the rest of the Council should too. It’s a brilliant idea, yet we have dithered for the last year. We need to get this Commission going now so the public understands that we are doing something and moving forward to control employee costs. The pensions are crushing city services, please start this Commission now.

In conclusion, the City cannot afford the increases in personnel costs that we are seeing. These costs are crippling the financial health of our City.

Thank you.

-Ed Novy
Sunland-Tujunga Neighborhood Council