

latimes.com/news/local/la-me-retire19-2009dec19,0,5905057.story

latimes.com

L.A. city retirements threaten a deep and lasting legacy

The exodus of employees approved to ease budget problems will drain the workforce of many experienced people and leave Los Angeles officials hampered in hiring replacements until 2024.

By David Zahniser

December 19, 2009

Spurred by its biggest economic crisis in a generation, the city of Los Angeles is about to get a crash course in smaller government.

Over the next six months, a budget-induced employee retirement program will shrink its civilian workforce -- a group that excludes the Department of Water and Power -- by at least 9%.

Some policymakers have only begun grasping the magnitude of the exodus of librarians, building inspectors, traffic officers, city planners and other workers, many of them the city's most experienced employees.

When early retirement was approved last summer, Mayor Antonio Villaraigosa and the City Council touted it as the least painful way to avoid layoffs in a brutal budget year.

But the effects of that decision will be felt well beyond 2010 as services are pared back and the city's ability to rehire employees when the economy rebounds is limited.

Once those 2,400 workers retire, officials cannot replace them at a rate greater than 6% a year between now and 2024 without sacrificing the savings that balanced the budget. At such a slow pace, the city could be left with a reduced workforce for much of the next decade, well after Villaraigosa and many council members who endorsed the package have left City Hall.

"As long as I'm in this office, I will not support adding back those positions," said City Administrative Officer Miguel Santana, the top budget official. "Those positions are being taken off the books and should be taken off the books forever, or at least 15 years, so we can meet the objective established by the actuary."

With 350 workers scheduled to leave Jan. 2, Councilman Bill Rosendahl fears that the employees who remain won't receive training needed to keep city departments running. "Can we put [the program] on hold so we can get comfort on each one of these departments?" he asked city budget officials during a council meeting last week.

Healthy Living

- How L.A.'s Hottest Moms Are Losing Weight
- Best of 2009: Mineral Makeup
- Overnight Fix for Damaged Hair. As seen on Today Show

Advertisement for AmazingLivingTools.com

Tom Coultas, a budget analyst who has applied for early retirement himself, bluntly said no. "The reason we did this is we do not have money for the existing staff," he said.

Union leaders have already begun pressing policymakers to embrace a second wave of early retirements. Meanwhile, Santana said the city's fiscal hole is still so large that he plans to recommend layoffs next month.

"Unfortunately, the early retirement program is not going to be the only reduction in city government," he said.

The looming retirements have been the talk of City Hall in recent weeks, with employees organizing a spate of farewell parties and whispering names of those still weighing their options. The workers who remain, and some who are headed for the door, are anxious about the effect on city services.

Enforcement of a much-debated medical marijuana ordinance will be light because there will not be enough workers available to police illegal dispensaries, Councilwoman Jan Perry said this week. Efforts to update decades-old zoning rules are being dropped, killing a move to give homeowner groups and real estate developers a more reliable set of regulations.

And in the middle of a budget crisis, some of the city's most experienced financial analysts have decided to abruptly end their careers.

"We're losing institutional knowledge," said Amir Sedadi, the No. 2 official at the Department of Transportation, which could lose more than two dozen traffic officers -- and possibly one out of every 10 employees.

Other agencies are being hit harder. City Controller Wendy Greuel, whose audits are designed to safeguard taxpayers' dollars, could see 17% of her employees leave their jobs, according to one city report. The city clerk's office, which runs elections every other year, could see 18% of its workforce quit.

After opening five new libraries in the last five years, the library department is scheduled to lose 15% of its employees, or 122 workers, nearly half of them librarians.

"There simply is no way with that large of a drop in staff that we can continue to provide the current service level," said library spokesman Peter Persic, whose agency has already cut library operations by 3 1/2 hours each Friday because of furloughs. Those unpaid hours off are also designed to reduce salary costs.

Critics of City Hall worry that early retirement will push out frontline workers while sparing management, undermining basic city functions. "Even in the good old days, when there was plenty of revenue, there just weren't good services compared to Burbank, Glendale and other cities," said Richard Close, president of the Sherman Oaks Homeowners Assn.

The planning department, which already has 80% of its staff taking furloughs, could see up to 40 of its workers retire, according to current estimates. Although those departures may not prompt a widespread public outcry, business leaders have been voicing alarm over the city's ability to review real estate proposals.

"Development projects mean jobs. They mean investment in this city," said Carol Schatz of the Central

City Assn. "And it's important that they're properly staffed and have the resources to do the job."

Even the LAPD, where the mayor has pushed an expensive initiative to hire 1,000 new officers, could lose as many as 255 civilian employees, including crime analysts and surveillance specialists.

Police officers and firefighters were excluded from early retirement, partly for public safety reasons. The DWP was the only city department to be entirely exempted because all of its workers belong to a different pension system.

After the council's unanimous vote to approve early retirement, members posed for photographs with leaders of the Coalition of L.A. City Unions, which pushed hard for the program on behalf of its 22,000 civilian workers. Supporters described the program as more humane and less time-consuming than layoffs, trimming \$47 million in salaries from this year's budget and \$137 million from next year's.

To cover its \$228-million price tag -- the cost of providing benefits up to five years ahead of schedule, before the money has been collected -- pension officials agreed to pay for the program over 15 years. Although remaining workers will contribute more from their checks to help pay those costs, the city's general fund -- which delivers basic services such as public safety -- will also be tapped between now and 2024.

As it looked to entice workers into leaving, the council pursued a carrot-and-stick approach. Eligible employees were offered cash bonuses and full pensions up to five years ahead of schedule. At the same time, the council increased the cost of retirement benefits for its oldest employees, so that workers with more than 26 years of service would see a drop in their take-home pay if they chose to stay.

The results were swift. On Nov. 2, the first day to apply for early retirement, a line of city workers snaked around City Hall East. Nearly 3,000 have applied, 600 more than the maximum allowed.

Some city officials privately predict that the ceiling for the program will be lifted next spring, once the city's elected officials confront an additional \$400-million budget shortfall. Santana said he does not want to recommend that step until he knows how much such a move would save -- and how much public services will be affected by the current round.

Because the program is provided largely on a first-come, first-served basis, "you don't know what you're left with until you're done," he said.

david.zahniser@latimes.com

Copyright © 2010, [The Los Angeles Times](#)