

Calif. city managers concerned pensions will be crippling

By Daniel Borenstein, Bay Area News Group

Lodi City Manager Steve Schwabauer worries about his town's fiscal solvency – and estimates roughly a third of California's municipalities are in the same position because of rising pension costs.

Nancy Kerry, city manager of South Lake Tahoe, says her community will avoid bankruptcy but will have to make severe cuts in services to do so.

Schwabauer and Kerry are among a small number of top administrators now publicly talking about the financial crisis ahead. They both say the only way to stave it off begins with reducing pension benefits for existing employees.

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