

Cities facing fiscal mess plead with CalPERS

By Steven Greenhut, California Policy Center

If you ask the union-controlled California Public Employees' Retirement System about the state's looming pension crisis, you're likely to get this answer: What pension crisis?

But the story was much different at CalPERS' own Finance and Administration Committee meeting Sept. 19. City officials from across California warned CalPERS board members about the dire fiscal situation their cities face because the pension debt is consuming larger portions of local budgets. The energetic discussion included 18 speakers, many of them local officials who trekked to Sacramento.

"In Hayward, 68 percent of our unfunded pension cost is retiree benefits," said Hayward City Council member Sara Lamnin, who pointed out that "this means the promises of the past weren't paid for, frankly." Hayward's future is really troubling. She said that "over the next three fiscal years, the city of Hayward's revenue is projected to grow 1.4 percent, but our cost for PERS is going to go up 30.5 percent." Lamnin wasn't asking for someone to rescue Hayward. Officials just want to know how bad the damage will be. "We ask you for data," she said.

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