



The City of Union City

News Release

FOR IMMEDIATE RELEASE

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City Manager

Union City Council, Executives and Employees Give Back Pay to Balance City Budget

In response to an unprecedented decline in City revenues that has forced layoffs, reductions in force and elimination of City programs and services, virtually all non-sworn, civilian City employees have agreed to concessions that amount to a 4.5% reduction in pay. Agreement has also been reached to establish a two-tiered retirement system for all new Miscellaneous (i.e., non-sworn) employees.

Mayor Mark Green, the City Council, City Manager and Department Heads, SEIU Local 1021, and the Management Employee Group will increase their retirement contributions by 4.5% of salary, resulting in these employees paying all of the “Employee’s Share” of their retirement benefits provided through PERS (Public Employee Retirement System). Union City, like most California cities, had been paying the employee’s share of PERS for many years, in lieu of a prior pay increase. The Professional Employee Group has agreed to a series of unpaid furlough days and a 1% increase in their PERS contributions that also totals 4.5% of salary.

Mayor Green made this announcement:

“The City of Union City has once again taken the lead in showing that everyone, including City employees, executives and elected officials, needs to contribute more to preserving essential City services. We simply must control and reduce our payroll costs in order to preserve the quality of life in Union City”.

The new two-tiered PERS system, when ratified by all affected units, will “dial back” retirement benefits to 1977 levels, under the so-called “2% @ 60” plan.

City Manager Larry Cheeves, who has been at the forefront of efforts by local City Managers in Alameda and Contra Costa Counties to promote reductions in retirement

benefits for new employees as a keystone to regaining control over public employee pension costs, said:

“Public employee pension reform is absolutely essential to the future well-being of the State of California and every other public agency in the PERS system. Every dollar we save in pension costs is a dollar that will preserve and maintain City services that we all depend on, so we must control and reduce our pension costs immediately. I am proud of the men and women who work for this All America City, and their willingness to contribute to help balance the City’s budget.”