

LA QUINTA COUNCIL AMENDS CONTRACT



The city council for La Quinta came up with the unanimous decision earlier on in the week to amend the retirement contract for the city, increasing the age in which an individual can retire for future employees while also lowering the percentage that these employees can receive. The reason these adjustments were made to the contract was to help the city to save money. Once January 1st comes, future city employees will be receiving just 2 percent by the time they hit the age 60. This means that at the age of 60, an individual will be able to retire and can receive a pension of 2 percent that is multiplied with the amount of years they worked for the system. At this current time, employees are receiving 2.5 percent and are eligible for retirement at age 55 years old, five years sooner. The human resources manager, Terry Deeringer, has said, "It's very hard to predict what the savings might be." She also said, "There isn't any idea because we don't have any (new) employees yet. It's a future savings. It's not a current savings." The Retirement System for the state of California has estimated that the city could save 2.7 percent on payroll for any employees that are hired after the 1st of January in 2013. However, staff members for the city were unable to provide an estimate on the amount of money they would actually be able to save. Currently, the yearly payroll for the city is at around \$10 million. As another way to save money, the city has planned to cut back on the contributions it makes to pensions for employees. There will be a drop in percentage of contribution from about 13.914 to about 7.846 percent instead. The city and the employees within La Quinta City made negotiations to come up with these contract changes and adjustments. The vote earlier this week was just one of several actions that have been going on as a way for the city to save money, especially since it is dealing with such a tight budget and looking to trim about \$2 million off the budget. Over the past two years, the officials for the city were balancing the budget by using reserves. The adjusted contract was accepted without much discussion or controversy at all. The Mayor, Don Adolph, has said, "It seems to me with every year, they seem to do better." He also said, "That's the good news in this." Along with the new contract, the City Council was discussing the possibility of taking Park Avenue and naming it after Andy Williams, a musician and former resident of La Quinta.