

Mayor: Layoffs, pension pressure loom

By Rick Orlov, Staff Writer LA Daily News

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Mayor Antonio Villaraigosa dropped the equivalent of a budget bombshell this week, raising the possibility of additional layoffs and calling on city unions for more pension reforms.

"We were shocked and dismayed," said Victor Gordo, a member of the Coalition of L.A. City Unions. "We are particularly disappointed that the mayor has been more busy running for his next job than he has been in running the city."

Villaraigosa, speaking Thursday to a group of some 200 investors in the city's bonds, surprised his own staff by discussing the possibility of layoffs and the need for more pension reform.

Gordo said last July the mayor praised the unions for their willingness to pay more for their retirement benefits and called the deal an example of the success of collective bargaining. That agreement gave workers cost-of-living increases of 10 percent over the next two years and ended a furlough program but retained the city's right to lay off workers.

In the past three years, the city has reduced its workforce by some 4,000 workers through early retirement, transfers and 300 layoffs.

City Administrative Officer Miguel Santana said layoffs are one of the options being explored in the 2012-13 budget, scheduled for release on April 20.

"Our deficit is still \$220 million, and it's unlikely to go down," Santana said. "The unions have said they are not interested in reopening their contracts, so we don't have many other options."

Gordo said the mayor had promised last summer to work with the unions and to appoint a collection inspector to look at ways the city could collect money it was owed.

"That's why we're disappointed," Gordo said. "He promised us he would follow up with us to avoid cutting any more city services. That did not get done."

The investors were invited to Los Angeles by Santana to see what the city is doing to manage its budget as well as offer a visual display of development in the city.

The Thursday event was held at the Grammy Theater at L.A. Live and AEG President Tim Leiweke conducted a personal tour of the facility.

On Friday, the group toured the Port of Los Angeles, Los Angeles International Airport and were given a private trip on the Expo Line, which is scheduled to officially open in April.

"This is the first time we have done anything like this," Santana said. "It's one thing for them to hear from us in a presentation. We wanted to give them an opportunity to explore the city and get a sense of the momentum we have."

"While the economy everywhere is still sluggish, we have pockets that are doing very well and we wanted to show it off."

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