Fiscal Responsibility Drives Budget and Pension Reforms at Western
District’s first two-year budget enables long-term planning and efficiencies

RIVERSIDE, Calif. – Responding to tough economic times for the region and state, Western Municipal Water District’s board and management team have diligently worked toward even greater fiscal stewardship, notably with long-term planning and greater cost-savings throughout the agency. “Fiscal stewardship is being achieved in two ways,” explained General Manager John V. Rossi. “We recently passed a two-year budget – a first for Western – and have just completed successful negotiations to address the long-term fiscal soundness of our retirement and health plans.”

Western’s Board of Directors passed a two-year District budget in late May. The two-year budget allows for better long-term planning and provides staff with the ability to achieve greater cost-savings for the District. It also saves staff time each year as the District is creating budgets on a bi-annual basis rather than yearly. Controllable costs, such as administrative and operational, were reduced by more than 10 percent.

The District recently addressed the long-term fiscal health of its retirement plans, achieving cost-savings for the retirement program for future employees. Western enacted cost-controls on health benefits offered to employees that make budgeting more predictable and health plan costs fairly shared between employees and the District.

Highlights of the agreement include: Extension of the contract with the Employee Association for a five-year period ending June 30, 2017; health premium cost sharing; and a two-tier pension plan that requires new employees (hired on/after Jan. 1, 2013) to contribute into the plan, reduces the benefit to 2 percent at age 55 with retirement compensation based on an average of the three-highest years. More than $5.4 million will be saved over the next 10 years for the pension changes alone.

“Our employees recognized the need to control pension and medical costs,” said Rossi. “They stepped up to work with management to downsize the benefits into the future.”