

R-23

May 4, 2021

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Amend Employment Agreement No. 35514 with Thomas B. Modica, City Manager, to conclude his voluntary participation in a work furlough program on the same terms and conditions as those applied to other City employees through negotiations with represented employee associations effective April 17, 2021. (Citywide)

DISCUSSION

In an effort to address the Fiscal Year 2021 (FY 21) financial shortfall and avoid layoffs and reduction of services associated with the COVID-19 pandemic, the City implemented a furlough savings program. The FY 21 furlough program was negotiated with represented employee associations and required City employees to participate in generating a one-time savings for the General Fund in the amount of \$11 million for FY 21. The furlough period began during the pay period of September 26, 2020, and was intended to continue through October 1, 2021. The City Manager voluntarily participated in the work furlough program on the same terms as City employees.

The American Rescue Plan Act was passed by Congress and signed into law by the President of the United States on March 11, 2021. The City is expected to receive one-time funding no later than June 30, 2021. The American Rescue Plan Act will provide substantial one-time federal funds that are anticipated to cover the General Fund shortfall in FY 22 and be of substantial help in maintaining services for FY 22. The American Rescue Plan Act funds were incorporated as the key funding source for the Long Beach Recovery Act approved by the City Council on March 16, 2021. The Long Beach Recovery Act is expected to provide a "relief" year to allow the City, its residents, and businesses to begin recovery from the adverse pandemic impacts. The City Council-approved Long Beach Recovery Act includes the use of \$5.2 million of federal funds to eliminate furloughs for the remainder of FY 21. As such, the furlough programs negotiated with employee labor groups, as well as the City Manager's voluntary participation in the work furlough program, will be discontinued effective April 17, 2021.

This matter was reviewed by Deputy City Attorney Erin M. Weesner-McKinley and Budget Manager Grace H. Yoon on April 15, 2021.

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TIMING CONSIDERATIONS

City Council action is requested on May 4, 2021.

FISCAL IMPACT

Discontinuing furloughs for the remainder of FY 21 is contingent on the City's receipt of the American Rescue Plan Act funding. In the highly unanticipated event that funding is not received by June 30, 2021, or cannot be used on salaries, the City will reinstitute furloughs on the same terms and conditions outlined in the MOU agreements, and the City Manager's voluntary participation in the work furlough program would also be reinstated. This recommendation to amend Employment Agreement 35514 has no staffing impact beyond normal budgeted scope of duties and is consistent with existing City Council priorities. There is no direct local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



THOMAS B. MODICA
CITY MANAGER