

CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

333 West Ocean Boulevard 13th Floor • Long Beach, CA 90802

~~R-19~~

UB-35

October 13, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing implementation of a work furlough for employees represented by the International Association of Machinists and Aerospace Workers in order to generate an amount equivalent to 5.7 percent in pay (120 hours for regular, full-time employees and 60 hours for part-time employees) for all permanent employees in Fiscal Year 2010. (Citywide)

DISCUSSION

On September 15, 2009, the City Council adopted the Fiscal Year 2010 (FY10) Budget. In order to balance the budget, the budget included \$18 million in employee contributions/concessions. City management was directed to continue discussions with the City's nine labor organizations regarding employee-generated cost saving options to achieve this amount. As negotiations were on-going at the time of the budget adoption, the budget planned for a 14-day furlough.

City management representatives have had a number of meet and confer sessions with the City's labor organizations. City management has not yet reached agreement with the International Association of Machinists and Aerospace Workers (IAM) to amend their current Memorandum of Understanding (MOU) to defer the previously negotiated FY10 salary and equity adjustment. City management representatives will continue to meet with union representatives, but with FY10 upon us, it will be necessary to implement a mandatory work furlough. A furlough may be reduced if equivalent employee generated savings are negotiated with the labor organization. Implementation of a mandatory unpaid work furlough will amount to the equivalent of 5.7 percent of salaries (120 hours for regular, full-time employees and 60 hours for part-time employees) for permanent employees. This equates to a 15-day furlough. While City staff will try to manage the furloughs in an effort to minimize impact on the public, some City operations may experience service reductions including potential business closures. To mitigate the impact of the work furlough to employees, the City has determined that benefits, leave accruals, seniority, and retirement service credit will not be affected by the furlough. There will be a minimal impact to retirement if an employee retires within twelve months of the furlough period.

This matter was reviewed by Deputy City Attorney Christina L. Checel and Budget and Performance Management Bureau Manager David Wodynski on September 28, 2009.

TIMING CONSIDERATIONS

City Council action is requested on October 13, 2009, to ensure timely implementation of the mandatory work furlough.

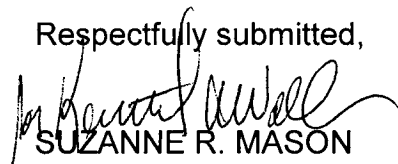
FISCAL IMPACT

The associated cost savings of the mandatory 120 hour/60 hour employee work furlough or alternative savings for IAM employees is estimated to be approximately \$3.5 million in the General Fund and \$10.1 million in all funds supporting IAM staff, for FY 10. These savings are included in the FY 10 Adopted Budget.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




SUZANNE R. MASON
DIRECTOR OF HUMAN RESOURCES

DRM:mme:tb

Attachment

APPROVED:



PATRICK H. WEST
CITY MANAGER

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH AUTHORIZING THE
5 IMPLEMENTATION OF WORK FURLOUGHS OR
6 ALTERNATIVE EMPLOYEE GENERATED SAVINGS FOR
7 EMPLOYEES REPRESENTED BY THE INTERNATIONAL
8 ASSOCIATION OF MACHINISTS AND AEROSPACE
9 WORKERS (IAM)

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11 WHEREAS, on July 21, 2009, the City of Long Beach adopted Resolution
12 No. RES-09-0075, declaring a fiscal emergency which continues to exist; and

13 WHEREAS, the City adopted the fiscal year 2010 budget which included
14 \$18 million in employee contributions to the General Fund; and

15 WHEREAS, City management representatives have engaged in continued
16 meet and confer sessions with the City's nine labor organizations regarding employee
17 generated cost savings options and have come to agreement with eight of the nine labor
18 organizations; and

19 WHEREAS, City management representatives have not yet reached
20 agreement with the International Association of Machinists and Aerospace Workers (IAM)
21 to amend their current Memorandum of Understanding to defer the previously negotiated
22 fiscal year 2010 salary and equity adjustment; and

23 WHEREAS, the City will continue to meet and confer with IAM
24 representatives in an attempt to find a mutually agreeable cost savings measure; and

25 WHEREAS, an employee work furlough of IAM employees will amount to
26 the equivalent of approximately \$3.5 million savings to the General Fund, and \$10.1
27 million Citywide; and

28 WHEREAS, this savings is necessary to balance the City budget; and

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WHEREAS, work furloughs may be reduced if equivalent employee generated savings are negotiated;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. Employee work furloughs equivalent to 5.7 percent of annual salary (i.e., 120 hours of unpaid time off for a regular full time employee) will be implemented for employees in the IAM labor organization. These work furloughs may result in service reductions and possible business closures in order to generate needed savings. Work furloughs may not be required in the event alternative equivalent employee generated savings are negotiated with the IAM.

Section. 2. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2009, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk