



Legislation Text

File #: 09-1076, **Version:** 1

Recommendation to adopt 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)

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.

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

The associated cost savings of the mandatory 120 hour/50 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.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE

IMPLEMENTATION OF WORK FURLOUGHS OR ALTERNATIVE EMPLOYEE GENERATED SAVINGS FOR EMPLOYEES REPRESENTED BY THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS (IAM)

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APPROVED:

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