



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** COUNCILMEMBER  
NANCY PYLE

**SUBJECT:** Mayor's 2010 June Budget  
Message

**DATE:** June 17, 2010

**APPROVED:** *Nancy Pyle*

**DATE:** *June 17, 2010*

## RECOMMENDATION

Approve the Mayor's Budget message from June 4, 2010 with the following amended changes:  
After further conversations with the Budget Office, Working Partnerships USA and pursuant to the City Council meeting on June 15, 2010 I would like to amend my budget memo to the Mayor and my Council Colleagues.

Use the following funding strategies listed below to fund the identified items from Attachment 1 in the Mayor's Budget Message.

Accept negotiated agreements by the public safety unions which call for Police and Fire sworn employees to make at least 5% in additional contributions to their retirement plan thus relieving the General Fund from making those payments.

Per MBA #9, Attachment B savings to the General Fund at 5% are:

POA           \$ 7,909,402

IAFF          \$ 4,304,281

(Actual Savings may be significantly higher)

Savings from concessions negotiated with POA should be used to first restore services in the Police Department.

Savings from concessions negotiated with IAFF should be used to first restore services in the Fire Department.

## **CHANGE -**

The employees covered by Unit 99 are unrepresented by any bargaining unit and include some of our most talented employees. Their leadership is essential to helping us grow our economy and grow our way out of this budget crisis. Amend the agreement with Unit 99 to allow employees who have accrued 1200 hours or more sick-leave payout to maintain the dollar value of the payout until they choose to retire. This will not change the city liability for these accounts. However, this will not force our most senior employees to weigh the cost of retiring with current sick-leave payouts vs continuing to serve the city and forfeiting 20% of the value of their sick-leave pay out. Offer the same in a Side Letter to the non-public safety Unions.

**Estimated savings   \$1,000,000**

Reduce the Unemployment Reserve to reflect the reduced number of lay-offs.

Estimated Savings \$4,000,000

Defund 38 Sworn Police and Fire vacancies identified in the Mayor's Budget Message on page 21 to reflect the restored positions identified under Essential Services and positions that will be saved if an agreement is reached with Public Safety Unions.

Estimated Savings \$5,130,000

If agreements with IAFF are approved restore funding for second Fire Academy

**Additional Cost \$1,100,000**

Remove the funding set aside for implementation of the Dynamic Deployment of the Fire Department based upon the acceptance of a contract with Local 230 that preserves fire stations.

Estimated Savings \$598,000

Direct the City Manager to immediately request the Federated and Police and Fire Retirement Boards to have their actuaries recalculate the city's contribution to the pension funds to reflect the actual salary increases in the agreements with many unions.

**If any savings are found, use them to replenish the Economic Uncertainty Reserve.**

Eliminate ten (10) low priority vacancies that occur during the year from staff separating from the city. *Given the number of positions that will be saved under this proposal, it is very likely some vacancies can be applied*

Estimated Savings \$1,000,000

Reduce the Economic Uncertainty Reserve by \$5m to restore Essential Services

Estimated Savings \$5,000,000

Use additional Sales tax revenue identified in MBA #48 to restore Essential Services

Estimated Savings \$2,300,000

***As a last resort and if additional funding is needed:***

After the Annual Report is finalized, use \$2.7m in excess fund balances to restore Essential Services

Estimated Savings \$2,700,000

\*Any additional savings to the Unemployment Reserve Fund beyond the identified \$4,000,000 or saving from reductions needed for Sick-Leave payout should be used to restore funding in either the Economic Uncertainty Reserve or fund balances used from the Annual Report.

**Total 32,841,683**

Use these funds to restore the following programs in Attachment 1 in the Mayor's Budget Message. The following programs were also identified as priorities by the Community Budget Working Group.

The following are Essential Services and should be funded **independent** of agreements with POA and/or IAFF from other sources identified above:

Police Department:		Positions
Sexual Assaults Investigations Unit	\$ 541,000	3
Police Vehicular Crimes Unit	\$ 727,000	5
Crime Prevention	\$ 602,000	3
Robbery Investigations Unit	\$ 499,000	3
School Liaison Unit	\$ 490,000	3
Family Violence Unit	\$ 350,000	2
Police Assault/Juvenile Investigations	\$ 307,000	2
Police Field Patrol	\$ 5,000,000	36
Fire Department:		
Engine Company 35 (4 <sup>th</sup> Engine)	\$2,244,000	15
Engine Company 34 (3 <sup>rd</sup> Engine)	\$2,012,000	13
<b>Total</b>	<b>\$12,772,000</b>	<b>85</b>

**If an agreement is reached with POA the following should also be funded:**

Police Field Patrol	\$6,903,000	50
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**If an agreement is reached with IAFF the following should also be funded**

Engine Company (5 <sup>th</sup> Engine)	\$1,218,000	13
Truck Company 3	\$2,460,000	16
Engine Company 33 (2 <sup>nd</sup> Engine)	\$2,318,000	15
Engine Company 30 (1 <sup>st</sup> Engine)	\$1,959,000	13
<b>Total</b>	<b>\$27,630,000</b>	<b>192</b>

Libraries:

Branch Libraries (39 to 47 hours per week)	\$2,098,000	32.01
Branch Libraries (to 09/10 levels)	\$ 960,000	10.75
MLK (restore to current levels)	\$ 904,000	11.14
Library Homework Center Program	\$ 194,000	5.50

Transportation:

Neighborhood Traffic Calming	\$ 619,000	6.00
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<b>Total</b>	<b>\$32,405,000</b>	<b>257.4</b>
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If MEF offers to forgo salary increases in 10/11 use savings to fund Custodial Staffing in City Hall and Police Administration building for 10/11 and implement the Competition Policy when considering contracting out these services.

After employee costs are recalculated to reflect new agreements, it is likely there will be a reduction in the cost to restore these services.