



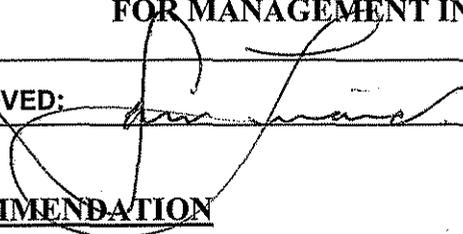
# Memorandum

TO: Mayor and City Council

FROM: Councilmember Sam Liccardo

SUBJECT: **WITHDRAWAL OF  
ENDORSEMENT OF  
SUPPLEMENTAL: FY2009-2010  
COMPENSATION AND BENEFITS  
FOR MANAGEMENT IN UNIT 99**

DATE: May 26, 2009

APPROVED: 

5-26-09

## RECOMMENDATION

I withdraw my name from the memorandum dated May 19, 2009 titled "FY2009-2010 Compensation and Benefits for Management Employees in Unit 99."

## BACKGROUND

As we confront the \$84 million deficit we face many difficult choices, and proposed service cuts translate to job losses for over one hundred forty city employees.

I've publicly advocated wage and benefit concessions to assist us in preserving city services and jobs. In doing so, I've been very clear about the need for a collaborative approach, one that protects our most vulnerable workers and minimizing layoffs. As I recently wrote in a *Mercury News* op-ed (published May 18, 2009), a fair approach would "link wage concessions to increments of job restorations." Those city employees willing to sacrifice pay should benefit from the additional resources and manpower that will enable them to better serve their residents and perform their professional duties at the highest possible level.

In the late afternoon of Thursday, May 21, Councilmember Pete Constant approached me with a draft memorandum regarding cuts in compensation to Unit 99 employees. We agreed that 3.5% cuts to councilmember and Unit 99 management salaries (along with the elimination of minimum car allowances), would provide a good example for the City's workforce of the need for shared sacrifice. He agreed with me that we should impose a "floor" on Unit 99 cuts to ensure that impacts were distributed toward higher-salaried employees, who would be in a better position to absorb them.

I was not informed, however, that Councilmember Constant was contemporaneously filing budget documents that afternoon urging our colleagues to use the savings from Unit 99's compensation cuts to pay for services provided wholly by other bargaining units. (See Budget Documents #24-27)

COUNCIL AGENDA:

ITEM:

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I disagree with the approach outlined in Budget Documents 24-27 insofar as it inevitably pits one group of employees against another, at a time when we need to work together. It also raises sensitive issues of trust. Many of our non-public safety employees have expressed mistrust of the Council, fearing that they will use salary concessions for only those services which seem most politically popular, when other services may be as critical or more so. By exacerbating hard feelings among our workforce, this approach undermines our efforts to broadly distribute the burden in difficult times so that we can navigate these fiscally perilous waters with everyone on board.

I value the great work of all of our Unit 99 managers and professionals, particularly in these times when understaffing forces them to accomplish ever more with fewer resources.

To manage through this difficult time, I will continue to support efforts to reduce costs--particularly the salaries of our better-compensated employees—but we must do so in a way that does not undermine our efforts to build trust with our employees. For that reason, I respectfully withdraw my name from that May 21st memorandum.