

CITY FLOATS OPTIONS TO CLOSE FY 08-09 BUDGET GAP

City Administrator Deborah Ederly met with City unions (non-sworn only) to give us her take on the projected budget deficit for FY 08-09. Local 21 was represented by the bargaining team and union staff. The City is projecting a \$6.8 million dollar shortfall in the General Purpose Fund that could increase depending on other outstanding issues like the outcome of the LLAD assessment election, the local impact of state budget shortfalls, and the status of other City funds.

While there are no formal proposals from the City Administrator at present, Ms. Ederly has floated the following budget balancing options:

- 1 day per month layoff
- 0% COLA
- increase Employee retirement contribution
- shutdown between Christmas and New Years

These ideas are very similar to those that the City put forward to resolve problems in the FY 03-05 budget. The City Administrator has asked us to provide feedback and alternative cost-cutting proposals to her through her representatives at our bargaining table: Wayne Heine and LaWanna Preston. Local 21 members are reminded that any proposals to balance the budget must be approved by the City Council, most likely with the endorsement of Mayor Dellums. **Any changes to our wages, benefits or working conditions will be negotiated, not unilaterally imposed.**

Local 21's budget analyst, Steven Raphael, is reviewing all the City's budget data to see what other options are available, but we must also learn from the past.

DÉJÀ VU ALL OVER AGAIN?

In 2003, before we had even signed the final copy of our new contract, the City came to Local 21 saying they needed help to close a budget shortfall. In good faith, Local 21 negotiated a deal with the City to avoid layoffs and shutdowns by agreeing to pick up an additional 3% pension contribution for two years, with promises from the City that all other unions would make equivalent contributions. This turned out not to be the case.

Two years ago (FY 05-06), the City had a General Fund surplus of over \$14 million. We told the Council that they should be prepared for possible downturns in the economy, and that prudent financial management would entail putting half those funds into a reserve so they wouldn't have to consider takebacks and shutdowns if the budget situation were to change for the worse. Instead, they allocated all of those funds for one-time projects with no thought for future contingencies. If they had followed our suggestion, there would be more than enough to cover the projected deficit for next year.

Mark Your Calendars: The next Special City Council meeting on the Budget is Thursday, May 15th at 5pm.

Local 21 members need to attend to send a clear message to the Council - the budget can't be balanced on our backs!



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