



COMMITTEE of the WHOLE

CITY COUNCIL

BUDGET MEETING REPORT

November 30, 2009
5:30 P.M.

COUNCIL MEMBERS PRESENT:

V. Spencer, S. Marmarou, D. Sterner, J. Waltman, M. Goodman-Hinnershitz, M. Baez, S. Fuhs

OTHERS IN ATTENDANCE:

D. Cituk, L. Kelleher, C. Younger, R. Hottenstein, C. Geffken, T. McMahon, C. Weidel, D. Reed

Mr. Waltman called the meeting to order at approximately 5:30 p.m. He referred the discussion on the \$185K allocation for the miscellaneous collection of delinquent fees and taxes and the review of the finalized 2010 Budget to the December 7th Finance Meeting.

Union Concessions

Mr. Hottenstein reported that all four (4) unions have rejected the proposed concessions, payroll lag and salary freeze. He stated that the Administration plans to ask the unions to reconsider the payroll lag alone, which will reduce the number of layoffs. The unions will need to provide an answer by Wednesday evening.

Mr. Geffken distributed a list of proposed layoffs from each work area. The first list, without the salary freeze and no payroll lag, shows 37 layoffs. The second list, without the salary freeze and with the payroll lag, shows 15 layoffs. Mr. Geffken stated that the proposed \$100,000 reduction to the Library allocation could result in the layoff of Library positions.

Mr. Geffken reported that the FOP rejected a suggestion to increase the FOP's healthcare contribution. He then explained the payroll lag which will eliminate one paycheck per employee over the course of ten (10) pay periods in the 2010 calendar year. This pay will be returned to the employee upon separation. The payroll lag will also move the City to a biweekly pay period (every other Friday) and eliminate the current bimonthly pay period (the 15th and the last day of the month).

Mr. Spencer explained his conversation with a former IAFF Officer regarding the arbitration decision for the 22 person manning level and the move to the bimonthly pay period. He stated that back in the 1980's it was rumored that the City would fail to pay employees for the 3rd pay period in December, which regularly occurs in a biweekly payroll system. The FOP went to arbitration to change to the bimonthly payroll system.

Mr. Geffken described his effort to properly educate employees about the change in payroll systems.

Mr. Fuhs inquired if City Council will need to make amendments to the adopted 2010 budget or if the Administration can make the required adjustments without Council's assistance. Mr. McMahon replied that the Administration can make the required adjustments without Council approval.

Mr. Waltman noted his wish that the Administration would have started talking with the unions and Council earlier in 2009. He stated that the City government is asking its taxpayers to pay more and live with a reduction in public services. He noted that during difficult times some employees working at other companies have welcomed pay cuts or salary freezes in lieu of layoff.

Mr. Fuhs inquired if the Administration will make the required cuts by the end of 2009 to balance the budget. Mr. Hottenstein replied affirmatively.

Mr. Spencer inquired about the preparation of the layoff list. Mr. Hottenstein stated that the list was developed by the budget team, who reviewed the original layoff list and then decided which positions would be restored. Mr. Spencer inquired about who will determine which Council staff employee will be laid off. Mr. Hottenstein stated that Council can make that decision.

Mr. Waltman expressed the belief that further budget review and shaving could result in less layoffs.

Mr. Marmarou noted that the Mayor's Executive Assistant position remains in the budget but the salary is eliminated. Mr. McMahon stated that he will work to find grant or private funding to cover the position.

Mr. Waltman noted that the proposed layoffs in various unplanned areas will create the need to shift funds from one work area to another. Any shift valued at over \$10,000 needs to be approved by Council through budget amendments.

Mr. Cituk asked Mr. Geffken if the adopted budget will be distributed before the end of 2009. Mr. Geffken stated that the amended budget will be distributed before the December 7th Finance Meeting.

Mr. Sterner inquired why City Council should lose an employee when the Mayor's staff will stay at full compliment. He stated that the loss of staff will negatively impact the legislative body. Mr. McMahon stated that he is seeking grant or private funding during 2010 for the third position in his office.

Mr. Sterner inquired if the proposed reduction in the Codes area will be an inspector or a clerk. He stated that reductions in the Codes area could negatively impact the City's management of housing issues.

Mr. Waltman asked Mr. Geffken to prepare the budget showing the numbers proposed, the numbers as amended and adopted and the proposed amendments.

Ms. Goodman-Hinnershitz stated that it is unrealistic to expect that staff reductions will not affect priorities and services. She noted the need to reconsider various priorities and services.

Mr. Spencer expressed the belief that there may be Charter issues with the Council staff reduction proposed by the Administration. He stated that he will discuss this issue further in a separate forum.

Mr. Sterner noted that the list of proposed layoffs only shows two (2) management positions. He reminded everyone of the statements made during Council comment concerning the employee management ratio. Mr. Geffken stated that the City employs 29 management positions composed of division managers, deputies and confidential employees, not including First Level Supervisors, who are covered by AFSCME.

Mr. Spencer questioned the need for the excessive amount of upper management in the Codes Division. Mr. Hottenstein stated that Inspector Gery, who is supervised by Chief Heim, supervises the Codes Administrator. The Codes Administrator supervises four (4) Codes supervisors (3 who manage inspectors and 1 who manages clerical staff). Mr. Spencer expressed the belief that upper management in Codes could be safely reduced.

Ms. Goodman-Hinnershitz stated that the City may need to redefine the management/employee ratio.

Mr. Waltman reminded Mr. Geffken that Council would like to review the budget at the December 7th Finance Meeting showing that proposed on October 1st, that amended and adopted by Council on November 16th and the new amendments proposed by the Administration.

The meeting adjourned at approximately 6:30 p.m.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk