#24
OB 117309

Jennifer Price
CBO 2012 Non-Rep Furlough ORD
September 23, 2011
Version #4

ORDINANCE _____

AN ORDINANCE relating to City employment; establishing a 2012 furlough program for certain employees not covered by collective bargaining agreements.

WHEREAS, the City is experiencing revenue shortfalls due to the national economic crisis and is required to make substantial cuts to its operating budget; and

WHEREAS, the City has identified furloughs as a way to reduce its operating costs and mitigate the number of layoffs required in the 2012 budget; and

WHEREAS, the City resolves to support its employees by creating a furlough program having the least possible impact on employment benefits and other working conditions; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Mayor is authorized to implement a furlough program for employees in the Executive branch of City government not represented by a bargaining representative. The City Budget Office may identify certain non-represented employees in the Executive Branch who shall participate in the unpaid furlough program. The Executive Branch departments shall schedule furlough days for employees on a department or work unit basis, according to each department's operational need.

Section 2. The Seattle City Attorney is authorized to implement a furlough program for employees in the City Attorney's Office not represented by a bargaining representative. The City Attorney may identify certain non-represented employees in the City Attorney's Office who shall participate in the unpaid furlough program. The City Attorney shall schedule furlough days on a department or work unit basis, according to the City Attorney's Office's operational need.

Section 3. The Legislative Department is authorized to implement a furlough program for its employees not represented by a bargaining representative. The City Council may identify certain non-represented employees in the Legislative Department who shall participate in the unpaid furlough program. The City Council shall schedule furlough days on a department or work unit basis, according to the Legislative Department's operational needs.

Section 4. Unpaid furlough time will accrue sick leave and vacation time.

Section 5. Unpaid furlough time will not affect employee holiday pay or holiday benefits.

Section 6. Unpaid furlough time will count towards the hours threshold used to determine the number of personal holidays received.

Section 7. Employees whose pay is less than $18.00 an hour in 2012 may opt to use paid vacation, personal holidays, or compensatory time during their absence for a furlough day.

Section 8. The City and employees will not make contributions to the Seattle City Employees' Retirement System for unpaid furlough time, and employees will not receive service credit for retirement purposes for unpaid furlough time. An employee who is identified as subject to furloughs who plans to retire by December 31, 2014, shall be permitted to use vacation or compensatory time in lieu of furlough days, provided he or she submits a written notice of intent to retire to his or her Human Resources unit and consents to a payroll or leave deduction no later than December 31, 2012. Should such employee not retire by December 31, 2014, the employee shall return payment for the leave used on furlough days to the City either by pay or deduction of equivalent vacation or compensatory hours.

Section 9. Medical, dental, vision and any other insured benefits coverage shall not be impacted by the furloughs.

Section 10. Unpaid furlough time will not count as a break in service and shall not impact seniority, step placement, probationary periods or trial service periods.

Section 11. Temporary employees and volunteers shall not be assigned to perform work to cover the time loss associated with furloughs.

Section 12. This ordinance shall take effect and be in force 30 days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2011, and signed by me in open session in authentication of its passage this _____ day of _____, 2011.

_____
President _____of the City Council

Approved by me this ____ day of _____, 2011.

_____
Michael McGinn, Mayor

Filed by me this ____ day of _____, 2011.

_____
Monica Martinez Simmons, City Clerk

(Seal)

Form revised: May 6, 2011

2012 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
City Budget Office	Hall Walker/233-7065	Hall Walker/233-7065

Legislation Title: AN ORDINANCE relating to City employment; establishing a 2012 furlough program for certain employees not covered by collective bargaining agreements.

Summary of the Legislation:

This legislation establishes a furlough program for non-represented City employees in the Executive Offices, the Law Department and potentially the Legislative Department, for 2012.

Background:

Furloughs are a temporary tool to achieve budget savings during times of fiscal distress. This tool has been used in previous years at the City. These furloughs are considered to be a temporary measure and will allow these departments and offices to achieve additional savings in 2012, in order to preserve direct services.

__X__ This legislation has financial implications.

Summary of Changes to Revenue Generated Specifically from this Legislation:

	Revenue Source	2012 Proposed
		See Note Below
Total Fees and Charges Resulting From Passage of This Ordinance		

(If new revenue is for a partial year, provide estimate for full year in the notes section below.)

Revenue Change Notes: This action will result in an estimated General Fund savings of approximately $570,000. The 2012 Proposed Budget also anticipates approximately $80,000 of savings from the furlough of certain represented employees in the Law Department, although this is subject to collective bargaining and this legislation does not impact that outcome directly. The total savings anticipated from furloughs in 2012 is approximately $650,000. This dollar amount does not include savings lost due to permitting employees making less than $18.00 per hour in 2012 to use paid leave on furlough days, or for exempting certain employees from taking furloughs altogether. Additionally, savings may further be eroded by permitting employees who state their intent to retire by the end of 2014 to use paid leave on furlough days.

Anticipated Total Revenue from Entire Program, Including Changes Resulting from this Legislation:

Fund Name and Number	Revenue Source	Total 2012 Revenue
		See Note Above
TOTAL		

Total Revenue Notes:

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications? See notes b and c below.

b) What is the financial cost of not implementing this legislation? If this legislation is not implemented, the City would need to make additional budget reductions in other areas, including employee layoffs, to make up for unrealized savings from non-represented employee furloughs.

c) Does this legislation affect any departments besides the originating department? Departments participating in furlough programs will be impacted both financially and operationally, including Executive Offices, the Law Department, and potentially the Legislative Department.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives? None.

e) Is the legislation subject to public hearing requirements? No.

f) Other Issues: No.

Please list attachments to the fiscal note below: None.

City of Seattle
Office of the Mayor

September 26, 2011

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am transmitting the attached proposed Council Bill for consideration with the 2012 Proposed Budget. This legislation establishes a furlough program for certain City employees, not represented by a bargaining representative, to participate in during 2012.

The 2012 Proposed Budget includes savings from limited furloughs for the Mayor's Office and the City Budget Office. While the work to manage City government does not decrease in times of fiscal distress – in fact, it often increases – it is essential to identify savings in order to preserve direct services for the residents of Seattle. This legislation also provides the flexibility for other Executive Offices and the Legislative Department to utilize furloughs in 2012 as well, should a deterioration in fiscal conditions occur. The Law Department will also furlough employees in 2012. In total, these furloughs will save the City nearly $650,000 in 2012.

Thank you for your consideration of this legislation. Should you have questions, please contact Hall Walker, Deputy Director, City Budget Office at 233-7065.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
Office of the Mayor
600 Fourth Avenue, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

Tel (206) 684-4000
Fax (206) 684-5360
TDD (206) 615-0476
mike.mcginn@seattle.gov