



Agenda Item No. _____

File Code No. 440.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 30, 2010

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Introduction Of Ordinance For Cancellation Of Management Salary Increase And Suspension Of Salary Increase For Supervisors

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Ordinance No. 5485, the 2008-2010 Salary Plan for Unrepresented Managers and Professional Attorneys.

DISCUSSION:

Staff is working to address a \$9 million deficit facing the General Fund budget in Fiscal Year 2011, as well as budget pressure in other City funds. Salary and benefit costs make up approximately 76% of the General Fund operating budget, so there is no reasonable way to close the \$9 million budget deficit without reducing these costs.

The City has actively engaged all of the City's labor unions and employee groups in discussions over the past few months and has asked them to make significant wage and benefit concessions. Reductions in wages and benefits are necessary to avoid layoffs and unacceptable reductions to critical public services. These talks are ongoing.

This action will cancel a 1.5% salary increase that non-sworn management employees were scheduled to receive, and a 3% salary increase that the Police and Fire Chief and the Deputy Police and Deputy Fire Chief were scheduled to receive, on April 10, 2010. Additional adjustments to management compensation will be proposed in the next few months consistent with agreements reached with the bargaining units.

The Supervisors Bargaining Unit has agreed to temporarily postpone the 1.5% salary increase they were scheduled to receive on April 10, 2010, pending formal agreement to an overall package of labor concessions which may also include a permanent relinquishment of the increase. This action also authorizes the City Administrator to temporarily postpone that increase, pending agreement from the Supervisor's Bargaining Unit.

BUDGET/FINANCIAL INFORMATION:

Cancellation of the management salary increase will generate approximately \$34,662 in savings in the Fiscal Year 2010 operating budget, and \$26,150 of this savings will be in the General Fund.

PREPARED BY: Kristine Schmidt, Employee Relations Manager

SUBMITTED BY: Marcelo Lopez, Assistant City Administrator

APPROVED BY: City Administrator's Office