

“Working Together Works”

IFPTE – 21 ♦ City of Oakland Chapters



Bargaining Bulletin #20

-June 17, 2009-

Bargaining News: Discussions on Retirement Contributions Continue & TA on Non-Econ

While details have not yet been disclosed, it appears the Firefighters' Union has agreed to significant concessions worth over \$6 million (roughly 6-7%). This leaves only the Police, who have refused to make any contribution to solve the City's budget crisis and preserve vital services for Oakland residents.

For Local 21, acceptance of an additional 5% retirement contribution, plus 12 unpaid days off, seems inevitable and other unions (SEIU and IBEW) are likely to do this. Local 21 is still trying to negotiate a provision that would preserve the 5% “bump” to final compensation we currently get when we retire.

If we agree to the 5% retirement contribution, the City has stated it would agree to limit shutdowns to 12 per year, with no additional one-day “layoffs.” While these sacrifices are painful, they will limit the damage and give employees certainty about hours and pay for the next two years. Since we've already effectively been taking a 10% pay cut since January, there should be little or no additional impact on employees' take-home pay. The Union is pushing for employee flexibility in scheduling the 12 unpaid days, but the City is insisting on fixed days. At a minimum, the last 4 days of December will be unpaid shutdown days. The City proposes to smooth out the reduction in pay, probably by deducting one day's pay (and vacation and sick leave accruals) each month. Employees performing designated “essential services” would have to take off other unpaid days so everyone makes the same contribution.

On other bargaining issues, the Union provided the City with a comprehensive economic package that would: (a) make it easier for employees to sell back vacation, (b) preserve the current right to roll over unused management leave, and (c) temporarily suspend

Professional Development Allowances and use the savings to provide medical benefits to laid-off employees. Management leave would be limited to 5 days mandatory and up to 5 days discretionary (the third week, awarded by the City Administrator 3 years ago, would be eliminated). Additionally, the City would withdraw all other economic demands including elimination of overtime pay, management leave, and auto allowances; reduction of standby pay; and a re-opener on medical benefits that could result in higher costs to employees.

The Union and City signed Tentative Agreements on most other non-economic issues (language cleanup, procedural improvements, etc.) However, certain unresolved issues remain: (a) Discussions are underway about an alternative to “just cause” for termination for UM1 employees; (b) The City is insisting on requiring a minimum of 1,500 “billable hours” from all Deputy City Attorneys and having a separate contract for the attorneys (the Union rejects both proposals); and (c) Language on discipline and Skelly meetings.

Council Takes Some Action on June 16, Postpones Adoption of Final Budget

The City Council did not adopt a final budget on June 16, and has schedule the final adoption for June 30.

At last Tuesday's meeting, four Council members proposed an alternative to the Mayor's budget. Key differences included rejecting the Mayor's proposal to defer a \$20 million payment to the Internal Service Fund, restoring some cuts to libraries and other programs, cutting the Mayor's budget by one-third, suspending pay-go, cutting the City Council's budget, and voluntary cuts to elected officials' pay.

The “gang of four” also proposed new revenue measures, chiefly a 10% tax on ticket sales for sports

“Working Together Works”

IFPTE – 21 ♦ City of Oakland Chapters



and entertainment events at the Coliseum. On Tuesday, the Mayor agreed to cut his office's budget by 20%, including a 10% pay cut, and proposed eliminating pay-go altogether.

Many of the unions' revenue proposals were included in the budget. However, the Union will need to work for passage of the four revenue measures (C, D, E & F) on the special July 21 ballot, or there will be further cuts. We need people to volunteer to phone-bank and do other work on the campaign!

Layoffs Effective in Early July

Although the final budget has not been adopted, the Council directed the City Administrator to issue layoff notices for all proposed cuts that would not be affected by the "gang of four" proposal. Those notices will go out in a few days, with an effective date in early July. This will allow a few days overlap with the Early Retirement Incentive eligibility window, making it possible for (eligible) laid-off employees to take advantage of the extra two years of service credit.

We estimate that roughly 50 Local 21 members will be either laid off or reverted to lower level positions, but a final count won't be available until the City provides union with official layoff list.

Additional layoffs, particularly in the City Attorney's office, may happen depending on what Council does on June 30. A proposal to eliminate four Neighborhood Service Coordinator (NSC) positions does not appear to have much support, and the Council rejected moving the NSCs from the Police Department to the City Administrator's Office.

Retirement Incentives Approved for 489

Council approved Retirement Incentive Plan "Option B," which will make roughly 489 civilian employees eligible for an additional two years service credit if they elect to retire between July 1 and September 30, 2009. While Council did not accept the union's push for "Option A," which would have included all retirement-eligible employees, the Council did agree to consider opening another window in the Fall for people not

eligible in the first round. The Union has been pushing this proposal since last Fall, and sees this is a major victory since originally the Council had refused to consider offering any incentives.

A list of the eligible classifications included in "Option B" can be found on pages 9 and 10 of the June 16 Council Agenda report at: <http://clerkwebsvr1.oaklandnet.com/attachments/22295.pdf>

Council Adopts Irresponsible Financial Policies

Despite opposition by the Union and concern by several Council members, the Council adopted financial policies that will require new "excess" revenue from Real Estate Transfer Taxes, and all one-time revenues be used to increase reserves, pay off negative internal service funds, and other negative fund balances, etc. This policy can be suspended if there is a fiscal emergency, but that can only happen if the projected deficit is greater than \$30 million.

These policies make debt reduction more important than restoration of City services, and will tie the Council's hands in the future, making it nearly impossible to restore service cuts and employee concessions for years to come.

Special Election Phone Banks:

YES on C, D, E & F!

Community leaders, labor, business and elected officials are working together to preserve essential services during this unprecedented economic crisis. We must reach voters starting the week of June 22 to urge support for essential city services like public safety, after-school programs, senior centers, parks, libraries, and public service infrastructure. These measures will raise millions to maintain city services and save jobs.

Join us in phone banking & voting YES for All of Us!

When: Every Wednesday, 5 to 8:30 pm

Where: 441 29th Street (off Telegraph Ave. & AC Transit bus #1R)

RSVP: Tom Manley tmanley@ifpte21.org or Rachel Richman rrichman@ifpte21.org at 510.251.2199.