

City Manager's 2006 Budget and Reorganization Proposal

Questions submitted by Council members, the public and City employees:

1. Is the assistant director of HR position that is proposed for elimination a filled position?

Yes, the position is filled by Lilly Aguilar. Woodrow Jones, the current HR Director, has announced his retirement in March 2006. We will conduct a nation-wide recruitment for a new Human Resources Director. Ms. Aguilar is welcome to compete for that position. If she is not chosen for that position or another within the City organization, she will leave the organization.

2. Is the position of labor relations manager, that was created in our last budget but never filled, slated to be eliminated?

No, it's not. That position (which is an employee relations coordinator position not labor relations manager) was filled in August. The position slated for elimination is a different employee relations coordinator.

3. In the proposed budget, the savings estimated for video arraignments are \$200,000 in 2006. What are the ongoing savings?

The \$200,000 figure is the estimate of the ongoing annual savings. In our exploration of other jurisdictions' experience with video arraignment, it has halved the costs of prisoner escorts. We're paying about \$400,000 per year now for prisoner escorts.

4. Are there other areas where jail costs may be reduced?

That remains to be seen. We are re-starting the jail contract negotiations with the County now and we do not know the outcome of those negotiations at this time.

5. Regarding the Employee Health Care and Wellness Program: During the last budget cycle, Council member Kevin Phelps suggested that the City look into becoming a smoke free workforce. The Health Department currently operates in this manner. It was reported that Health department increases in medical benefit costs were substantially less than the City and County. Is this under consideration?

We are considering a comprehensive wellness program. This is an ongoing discussion of the employees that participated on the Breakthrough Change Team on compensation and benefits and Human Resources. The discussion includes consideration of this idea.

6. Regarding the severance package: For represented employees are the layoffs subject to negotiations?

The layoff for represented employees is typically not subject to negotiations. However, we may be required to negotiate layoff impacts. We will be asking the respective bargaining unions to allow us to provide the severance package to represented employees subject to layoff. Absent concurrence from the respective bargaining union, a severance package can not be offered to a represented employee.

7. Regarding the Revised Revenue Projections on slide 28 of the budget presentation: Could you provide more detail about the decrease in “Other Revenue” that’s shown here?

The decreases in revenue shown in the “Other Revenue” category includes: Fines and forfeitures down \$300,000 (this is not surprising given vacancies in the Police Department); and interest income down \$200,000 from original estimates. These items sum-up to the \$500K decrease shown in this category for 2006 and 2007.

8. Is the loss of the gambling tax included in the Revised Revenue Projection figures?

Yes. This lost revenue is accounted for in the projections used to create this budget proposal..

9. Regarding the savings figures for personnel accruals: Are these dollars that would have been realized under any budget scenario? And, have they been realized in past budgets?

Yes, we went into this year (2005) with an \$8 million opening cash balance. For our proposed budget, we have estimated personnel accruals conservatively at \$1.5 million per year—the amount we are certain will occur each year based on long-term trends.

10. Regarding the idea of over-hiring in the Police Department: Is there consideration being given to over hiring in TPD (if we can ever get to full staff) so as to reduce the impact of retirements, military commitments, and other factors affecting staff levels? This has been discussed in the past.

In this budget proposal, no. We will monitor the situation and see if that becomes a possibility in the future. Right now we haven’t yet been able to achieve full staffing for the Police Department, so the consideration of over-hiring to cover transitions, retirements and other vacancies is still pre-mature.

11. *Regarding the Community Based Service proposal: This is a great idea. Moves us from reactive to proactive. Is consideration being given to contracting-out some of this work as opposed to creating new City positions?*

This issue was fully discussed with the City Council during the November 15th Study Session. Contracting-out does not allow the City of Tacoma to create the long-lasting relationships in the neighborhoods that are vital to the effectiveness of this pilot project. However, it is our intent to continue our strong partnerships with groups like Safe Streets and community groups in the target areas.

12. *Regarding planning and permitting services: Is the current level of service (commitment to fast permits) still the priority?*

Yes, and the budget reductions would not reduce that level of service.

13. *Will the budget proposal affect this level of service?*

No, and if you start hearing that service levels or quality are affected we hope you'll tell us.

14. *What are our current reserve levels in the General Fund?*

Our General Fund reserves are currently at 10.94% of 2005 General Fund expenditures.

15. *What is the status of our current contingency fund?*

We have one contingency fund which currently has a balance of \$1.3 million.

16. *Who is paying for the 16 weeks pay and benefits (severance package) of those laid off? The Retirement System or the General Fund?*

Those costs will be paid from the fund that supports the position subject to the layoff, not the Retirement System.

17. *Will the employees who are displaced by the changes be able to “bump” other employees out if they are in similar classifications with more seniority? What is the deadline for that kind of request?*

The ability to displace another employee depends on the employee's employment history and standing within a job classification in the classified service. Layoff and/or termination notices are expected to be provided to employees by December 15, 2005. The deadline for responding to the various options (such as the severance package or ability to displace another employee) provided in the layoff notice will depend on the effective date of a positions' elimination.

18. *If qualifications are similar, would laid-off people be considered for any of the newly created positions? For the employees that were laid off, do they have any rights to be first choice (if they qualify) for the new positions that are being created?*

For those who choose the severance package: No, because the agreement with the severance package precludes hiring back onto the City for two years. However, for other options, this would depend on the specific position subject to lay off and the availability of new positions. A more complete explanation on questions related to layoff will be published in a special edition of Take Five, Friday Nov. 18

19. *How long would those losing their jobs continue to work before the severance kicks in? Two weeks? More? Less?*

The effective date of position elimination will determine how long an employee will be able to continue his/her employment. However, the severance would occur sooner if the employee requests an earlier separation date.

20. *In eliminating positions, was just the cost of labor considered or also supporting costs?*

Supporting costs were also considered in the calculations to the extent possible.

21. *If an employee is near retirement in 2006 and is being considered for lay off, could they stay on until their ideal retirement date?*

The effective date of position elimination will determine how long an employee will be able to continue his/her employment.

22. *Regarding layoff savings: Were the vacation and sick leave payouts considered?*

No, given people's rights to demote, transfer and seek reassignment, it's not possible to calculate those expenses until the layoff of the individuals actually occurs.

23. *Will you be outsourcing workers compensation claims? If so, will we be getting the same excellent customer service that we have grown accustomed to?*

Yes, it is the intent to include performance measures and monitoring in the outside contract, in order to maintain the proper service levels.

24. *Will there be a transfer list?*

We are currently not in the process of developing a transfer list. Such a list is typically not prepared in conjunction with position eliminations and layoff. Matters of transfer will be handled on a case by case basis (see answer to the next question).

25. Are we going to allow transfers outside of the classification?

The City's personnel policies and procedures (Section 1.24.760) provide direction on how transfers may be administered. Transfer procedures may also be impacted by bargaining union agreements, as applicable. Employees wanting to seek a transfer opportunity need to follow-up directly with the Human Resources analyst assigned to their particular department.

26. Can employees demote?

An employee's prior status in a job classification within the classified service determines whether or not he/she may be able to request voluntary demotion.

27. How will employees know if they are the least senior in their classification? How will employees know what their seniority is?

The Human Resources Department will inform employees about seniority in their current classification at the time of the layoff notice, if applicable. If an employee is the least senior in their job classification within the department the employee may also be informed about their seniority in the last previous job classification within the classified service, if applicable.

28. How will bumping play out?

Bumping (opportunity to displace) in reference to layoff refers to a permanent or probationary employee's ability to displace another employee with less seniority in the same job classification within their respective City department, as applicable. Bumping (displacement) also occurs when a permanent or probationary employee is able to request voluntary demotion to a previously held lower job classification. Based on the employee's seniority, he/she may voluntarily demote and displace another employee with less seniority in the lower classification within their department or in another department, as applicable.

29. Will incentive days earned in 2005 by BIS staff be available for use in 2006? If yes, will the cash out of incentive days be an option available to BIS staff.

An employee who is employed through December 31, 2005 is granted incentive days that they should expect to use in 2006. Consistent with the current application of the program, an employee will be able to cash out the incentive days granted to them. BIS employees that are now in the Information Technology Department will remain part of the Public Utilities Employee Incentive Program.

30. I was surprised that all of the IT people were not combined back into the new IT department. Is this something coming in the future, or will there continue to be pockets of ADSA's scattered around the City?

We'll continue to look for ways to eliminate duplication and redesign for high performance in all areas of the City. As the City Manager has mentioned, this isn't the end of the road. This process will be ongoing.

31. Why wasn't an early retirement option considered?

An early retirement option was considered early in the Executive Leadership Team's budget discussions. However, it wasn't found to be a cost effective option.