

South Lake Tahoe employees weighing down city's budget

By Kathryn Reed

While South Lake Tahoe employees cry poor, city documents show their wages keep going up. Furlough days that were implemented did not reduce salaries. They reduced take home pay because fewer hours were being worked. But retirement funds were not affected by furlough days.



In actuality, city employees have been getting raises during the recession, while the private sector in large part has seen the opposite happen. In their defense, most of the contracts were agreed to before the recession. But it does show how little foresight there was on the part of staff and council members who agreed to the deals.

The one raise that stands out is just before Dave Jinkens left his post as city manager last year a side letter with the Administrative-Confidential group extended the contract through fiscal year 2011-12 with a 4 percent raise in exchange for a third furlough day.

According to MOUs and documents provided by the city, from 2007-10 Administrative-Confidential, General-Public Works, and the Police Employees groups received 18.5 percent salary increases. Police Officer and Supervisors group received a 26 percent raise in that time period. Fire received a 15 percent raise.

None of these figures is compounded, so it's actually a higher amount.

The fire group chose not to accept its agreed upon 3 percent

raise for 2010.

Here is a salary schedule of city employees by position.

Some workers will get a raise in the next fiscal year based on step-in-grade increases. These come on the anniversary of the hire date.

A full house is expected for the City Council meeting at 7 tonight at Lake Tahoe Airport because of the proposed changes in staffing and programs. Budgets are often considered the most significant decision a council makes – with the vote indicating how the group prioritizes staffing, programs and infrastructure.

While each council member has been apprised of what will be before them and have individually met with city staff, this is the first public discussion of the document and the first real opportunity for the public to weigh-in on the matter.

But this is the eleventh-hour because the budget takes effect in 16 days. Per state law, it must be balanced.

Because negotiations with employee groups are ongoing, adoption of the budget is not even expected tonight, according to City Manager Tony O'Rourke. It will likely require a special meeting to finalize it, but that date has not been set.

Nuts and bolts

To help close the \$5.2 million budget gap, employees were asked to pay their share of their retirement and more for health care.

Only the fire association has made the concessions, though as a reward they are slated to get a raise of 2 percent for at least this coming fiscal year. However, because the group has not signed the deal yet, council members could voice their opinion on the matter tonight and potentially negate the deal.

Instead of one nice tidy document called a budget, what the South Lake Tahoe City Council will dissect tonight is a bunch of "proposed departmental summaries." That's the city's lingo for it.

These proposals were put on the city's website late Tuesday. However, the details behind the proposals are in five binders in the finance department. Christine Vuletich, who is in charge of that department, will have them with her tonight. An actual budget for anyone to look at won't be available until the end of the year. Some years it has been well after the first quarter has ended.

The proposed budget calls for \$94,695,245 in expenses. Of that, \$28,157,124 is for the capital improvement program and nearly \$11 million is for the ongoing debt. The general fund accounts for \$28,607,349 of the total expenditures for fiscal year 2011-12, which begins Oct. 1.

Salaries and benefits are paid from the general fund.

The city has seven associations it works with. Their agreements and amendments, aka side letters, are on the city's website. Only the General and Public Works contract is up at the end of the month. All other contracts expire Sept. 30, 2012.

However, the General and Public Works did not have its first meeting with all employees until Sept. 12. This, despite, the council in March approving the five-year fiscal plan that called for the salary-benefit concessions or layoffs.

A strike by the Admin-Confidential and Public Works and General employee groups is not possible based on a memorandum of understanding that says, "It is agreed and understood that there will be no strike, work stoppage, slow-down, picketing, or refusal or failure to fully and faithfully perform job functions and responsibilities or other interference with the operations of the City by the Association or by its officers,

agents, or members during the term of this agreement, including the recognition of picket lines or additional compliance with the request of other labor organizations to engage in such activity.”

MOUs representing fire and police do not have such language because they are prohibited by law to strike.

Balancing the budget

In a 27-page memo to the council, O'Rourke outlines the fiscal health of the city and the measures he wants to take to make sure the city keeps functioning.

In part, they include:

- Voluntary separation program offered to employees of General and Public Works Union.
- Elimination of 26 positions, reduction in hours for four employees, and five positions vacated.
- Reorganization of city services. (Read more about this on *Lake Tahoe News* after the meeting.)
- Furloughs will be eliminated except for the Administrative-Confidential group. It saves the city money to keep that group on furlough days until the contract expires in a year.
- All non-represented and management staff paying their full 8 percent PERS contribution.
- Using \$500,000 of the estimated \$1.8 million health plan reserves. (Employee and retiree health care plans are budgeted at \$5.2 million for the next fiscal year – which is 18 percent of the general fund.)
- Adding \$278,000 to the budget through parking meters on Ski Run Boulevard and beach areas in addition to the ones already installed near the Stateline area transit center.

- Borrow \$675,000 from general fund operating reserve to pay the proposed Redevelopment Agency continuation payment of \$1.8 million.

Example of a city expenditure

Lost in a budget of this magnitude can be the expenses not even thought of by the public. Like the \$23 per page the city pays to have minutes taken by the city clerk be transcribed by an outside agency.

Considering a slow professional typist can type 50 words per minute and there are an average of 500 words per page it means the person is making \$23 every 10 minutes.

“It is not a matter of wpm and how fast a person can type. The industry standard is per page, which for summary minutes is cheaper than charging for hourly. This is a specialized and technical service,” City Clerk Suzie Alessi told *Lake Tahoe News*.

The city pays \$10,000 a year for the service. The savings comes from not paying benefits to a city employee, Alessi said.

Still, it begs the question with all these layoffs, can't one of those employees type for less than \$138 an hour?