

South Lake Tahoe solidifies job cuts, budget up for vote

By Kathryn Reed

On Tuesday, the South Lake Tahoe City Council is being asked to layoff 19 people, not fund six open positions, reduce the hours of three employees, reclassify four people, and either establish or reclassify six other positions.

The action would equate to a \$1.7 million savings in fiscal year 2011-12, and \$2.2 million the following year.

The savings comes from salaries, pension payments, health care, workers' comp and everything else the city as an employer must pay.



South Lake Tahoe's fiscal year begins Oct. 1. With the council unwilling to pass a budget last month because of ongoing labor negotiations, it is operating on an emergency budget for this month.

On the Oct. 18 agenda are agreements to be ratified by the council with the South Lake Tahoe Firemen's Association and Stationary Engineers Local 39 (General and Public Works).

While the council had a special closed session meeting Oct. 14 to discuss labor negotiations, no reportable action was taken. However, people close to the negotiations have told *Lake Tahoe News* agreements with the other employee groups are possible before Tuesday's 9am meeting. If this were to occur, either a special meeting will be called to vote on contract changes or it could be incorporated into the next regular meeting in November. An addendum to the budget would be made to reflect the changes.

The positions slated for elimination include:

- Assistant engineer – one position
- Engineering manager – one position
- Engineering supervisor/stormwater coordinator – one position
- Fire division chief – three positions
- Heavy equipment operator – two positions
- Housing and redevelopment assistant – one position
- Lead street maintenance worker – two positions
- Legal assistant – one position
- Public works inspector – one position
- Recreation supervisor – two positions
- Recreation coordinator – one position
- Senior accounting technician – two positions
- Special events coordinator – one position

The positions not being funded include:

- Fire chief
- Firefighter
- Information systems technician
- Police officer
- Police sergeant
- Street maintenance worker
- Parks maintenance worker

The following positions are being created:

- Accountant (one position)
- Construction engineer (new classification, one position)
- Director of engineering (new at-will classification, one position)
- Environmental programs analyst (one position)
- Fire marshal (one position, unrepresented)
- Recreation program coordinator (new classification, one position)

Other personnel changes:

- Fire shift commander (three current employees reclassified from fire captain)
- Human resources technician (one incumbent reclassified from senior human resources administrative clerk)
- Three administrative assistants going from 40 to 32 hours per week.

Employees will be officially notified the same day the council votes, with changes effective 30 days later.

While talk on the street is those left behind are getting raises, this is only a partially correct statement. After two years, furloughs are being eliminated for most city employees. They will be paid for their time worked. Their hourly wage is not increasing. Their take-home pay increases because they are working more. In most dictionaries, that scenario does not define a raise.

If one uses the city manager as an example, the contract Tony O'Rourke signed in August 2010 called for a salary of \$175,000 year. He has yet to be paid that because furloughs immediately

meant his pay was \$150,000. Though his pay is restored, the net effect of paying his share of PERS means his annual check is \$161,000.

For the public, it means 23,000 hours more of service available each year. Those hours also equal to the salary of 11 full-time employees.

The lack of employees working is most noticeable with the road crew. Many of the snowplow drivers work roads in the dry months. But with all the overtime accrued while plowing and the inability to take furlough days because Mother Nature doesn't cooperate, it means about a third of the road crew at any give time isn't working during the summer/fall to get the back time for hours worked during the winter. This is one reason potholes go unfilled for long stretches.

It's possible still that some of the snowplow drivers originally set to be laid off will remain on the city's payroll.

The overall difference in savings from this fiscal year to next is in large part based on paying out accrued sick and vacation time, along with any severance that may have been negotiated.

While many have said that cuts should come from the top – that has happened. Most of those jobs were slashed in March. Overall, the reduction in staff from the spring saved the city \$1.8 million. Of the nearly \$3.6 million in personnel savings this calendar year, 53 percent of that comes from management cutbacks. Management-type employees represent 15 percent of the city's workforce.

Even though it's slashing of the budget that is the focus, the city is looking at ways to increase revenue. However, the three main revenue sources still remain – property tax (with many saying the Tahoe area has not hit bottom even though the 2011-12 budget calls for a modest increase), hotel tax (talk

of raising it in 2013 to pay for roads), and sales tax (which is flat). Not much can be done to increase those sources of revenue.

A suggestion brought up by a member of the public to charge utilities for cutting city roads could bring in about \$70,000 a year. With the work done this construction year, it might have been four times that amount.

A recreation tax is being talked about for 2013. The city has a multi-decade agreement with Heavenly Mountain Resort that lift tickets cannot be taxed. This was done when ASC owned the ski resort.

The budget is slated to be discussed at 2pm Tuesday. The meeting starts at 9am at Lake Tahoe Airport. This is the Oct. 18 City Council agenda. Mayor Hal Cole will start the morning with the state of the city address.